

The NATIONAL UNDERWRITER

Life Insurance Edition



THERE'S STILL **GOLD** IN CALIFORNIA...

FOR FRANKLIN LIFE REPRESENTATIVES

In January 1947, George Landis, a human dynamo with incomparable selling and organizing talents, was appointed Regional Sales Director in Southern California. His results have been phenomenal.

During 1947 business received from the Southern California Division amounted to \$16,000,000. Last year their sales totaled over \$25,000,000.

During 1948 the top ten representatives in this division averaged cash earnings of \$15,600.

An additional ten men averaged above \$8,400. (Over \$700 per month.)

One representative in his third month in the business was paid \$2,263.41. Another, in the business only nine months, has averaged more than \$1,000 per month... his latest check being \$1,515. Another, new in the business last May, has averaged well above \$700 per month.

But great as are these accomplishments, George Landis is far from satisfied. Calmly he says, "We have just started rolling." During 1949 he has a goal of \$30,000,000. And he concludes, "We focus all our attention on our three unique and exclusive Franklin contracts. Without them we could not have accomplished these results."



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS
DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over \$650,000,000.00 insurance in force.

I demand protection!

and lady, you need it

As a matter of fact, many of your clients may not realize that wives, in their daily work about the house, stand a good chance of being laid up by an accidental injury. Statistics show that the home, far from being the safest place in the world, is the most dangerous.

Unfortunately, however, most husbands neglect to think about this until they are confronted by a discouraging stack of doctor's and hospital bills.

Do these clients a favor. Point out just how serious the financial burden could be should the wife suffer an accidental injury. Then show them how a Travelers Modern Accident Policy, backed by America's oldest and largest multiple-line insurance company, will provide unfailing protection against the unforeseen expense of any accidental injury which the wife might sustain.



THE TRAVELERS INSURANCE COMPANY
HARTFORD, CONNECTICUT

Congress Gets McCarran-Celler Inquiry Resolution

Nevada Senator Seen as
Tempering Influence on
Congressman's Hostility

By H. C. HALLAM

WASHINGTON—Congressional investigation of the life insurance industry is believed assured, following introduction last week of a concurrent resolution by Senator McCarran, Nevada, and Rep. Cellar, New York, chairmen, respectively, of the Senate and House judiciary committees. Possibility is presented that the scope of the investigation may be widened eventually, in the opinion of Washington insurance observers.

The resolution calls for a joint committee composed of three members each of the Senate and House judiciary committees, to be named, respectively, by the Senate president and House speaker.

The joint committee, according to terms of the resolution, will make a full and complete study and investigation of the life insurance industry "with particular regard to the applicable anti-trust laws and to the extent to which the operations of such industry comply with such laws...."

Report Due June 30, 1950

The committee would be instructed to report to Congress by June 30, 1950, on its studies, together with recommendations "as to necessary legislation as it may deem desirable."

The resolution authorizes the committee, or a subcommittee, to sit anywhere during congressional sessions, recesses and adjourned periods, to hold hearings, subpoena witnesses, books, papers and documents, take testimony and make necessary expenditures.

The committee would be empowered to employ and fix compensation of officers, experts, other employees, consultants, as may be necessary in performing its duties.

Expenses of the committee, limited to \$100,000, would be paid half each from Senate and House contingent funds.

Introducing the resolution, McCarran and Cellar joined in the following statement.

"We are today introducing a joint resolution to provide for an investigation of the life insurance industry of the United States, with particular regard to the applicable anti-trust laws and the extent to which the operations of such industry comply with such laws."

"The purpose of this investigation is to find facts."

"The sheer size of this industry, its dominant position in the world of finance, and the power which it wields and could wield in many fields of endeavor, coupled with the fact that detailed information concerning the operations of the industry is not only greatly lacking but apparently very difficult to secure, give ample ground for this investigation."

"While it is contemplated that charges which have been made against the industry will be thoroughly investigated, if this resolution is approved, it is not the intent of the sponsors of the resolution to

Statement Figures Give Picture of Sound Growth

BANKERS, NEBRASKA

Though production gains, in contrast to 1947, are by no means the rule in 1948 statement figures, most companies show a very high level of sales. Even where production missed the 1947 peak the 1948 figures usually surpass any other previous year. The numerous CSO changes that were imminent toward the end of 1947 made it a difficult if not impossible year to beat.

All other figures, in general, showed improvement over 1947. Mortality was excellent. Interest earnings showed a small but encouraging improvement. A number of companies have shifted substantial portions of their assets from government bonds to higher-interest investments with a consequent leavening effect on earnings.

AETNA LIFE

Aetna Life's 1948 new ordinary business was \$283 million, up 2%, while new life insurance issued under group life and employee plans was \$440 million as against \$433 million in 1947.

Ordinary in force increased \$127 million to reach \$2,469,000,000. Group in force increased \$570 million to reach \$5,213,000,000. Total insurance in force is \$7,682,000,000, up \$697 million.

Aetna Life's assets are \$1,499,817,024, up \$136,015,973. U. S. government bond holdings were reduced by some \$100 million and the proceeds reinvested in other bonds and mortgages giving a higher interest yield. The life department's rate of interest earned was 2.98% as against 2.95% in 1947. Aetna's premiums included \$62,014,754 for A. & H., up \$12,461,124. The employees' retirement allowance fund has been increased from \$3½ million to \$7½ million and \$1,742,590 has been applied to strengthen reserves on life insurance and annuity contracts.

Surplus is \$58,222,010, gain of \$5,846,171. The contingency reserve is \$41 million, up \$1,700,000.

The Aetna Life group which includes Aetna Casualty & Surety, Automobile and Standard Fire, had a 1948 premium income of \$385,936,515 as against \$336,651,521 in 1947. Surplus for the group is \$103,889,137, up \$10,825,935.

AMERICAN MUTUAL

American Mutual Life's paid business was \$17,045,571 as against \$16,303,137 in 1947, bringing insurance in force to \$125,682,229. Benefit payments were \$2,220,140. Assets increased to \$38,261,263 and surplus rose to \$2,380,967. Assets exceed liabilities by nearly 7%. Net return on invested assets was 3.4%.

ATLANTIC LIFE

Atlantic Life has insurance in force at Dec. 31 of \$195,591,126, up \$10,543,643. Assets totaled \$53,261,353, up approximately \$3 million. Bondholdings total \$16,884,273. Mortgage loans total \$24,886,481. Benefit payments totaled \$2,632,253.

BANKERS, IOWA

Bankers Life of Iowa's 1948 benefit payments totaled \$32 million. Assets increased \$33 million during the year to reach more than \$458½ million. Surplus is \$22,601,660, up \$1,699,352.

New and revived business for the year totaled \$171,594,793, of which ordinary accounted for \$120,183,683. Total 1947 production was \$200,635,467. Life insurance in force at Dec. 31 totaled \$1,376,323,037, of which \$1,157,962,968 was ordinary. This represented an increase of \$94,400,491, of which \$60,512,494 represented ordinary.

Restrictions on Privately Placed Loans Opposed

Company Men Call N. Y.
Proposal Impractical
at Hearing at Albany

By DONALD J. REAP

ALBANY—Unanimous opposition to proposed restrictions on multi-million dollar privately placed loans by life companies was expressed by industry spokesmen at a hearing of the joint legislative committee on insurance rates and regulation here.

No objections were made to the proposal to reduce the amount which can be lent to a single borrower, from the present 10% of a company's assets to 3%. However, the 3% figure might be too low and consequently burdensome on smaller companies, witnesses stated.

Company executives emphasized how impractical it would be to require companies to share loans exceeding \$10 million. The proposed legislation suggests a maximum participation by any one company of 25% on loans exceeding \$100 million, 50% on loans between \$55 million and \$100 million, and 75% on loans between \$10 million and \$55 million.

Other developments at the meeting included suggestions that an improved method of evaluating privately placed securities is needed and that a tax on companies might be necessary to support an enlarged staff for the committee on valuation of securities of National Assn. of Insurance Commissioners. A request was also made that legislation be passed to liberalize rather than restrict some phases of investment control.

No Control Over Borrower

Witnesses testified that life company loans to industry give the companies no control over the borrower. They added that the companies don't want the control and haven't trained staffs to exercise such control even if they had it.

Harry C. Hagerty, vice-president and treasurer of Metropolitan Life, presented a table showing that under the proposed bill, one life company could lend \$10 million to a firm seeking that sum, but only \$7,650,000 to a company asking \$10,200,000. Similarly it could lend \$41,100,000 to a firm asking \$54,800,000 but only \$27,500,000 to a borrower wanting \$55 million. "For some unapparent reason, a borrower having \$10,200,000 of debt is considered much less worthy of investment than one having \$10 million of debt," he said. He pointed out numerous other "capricious variations" in the practical operation of the bill and said that it would give unfair competitive advantages in the loan field to out-of-state insurers and commercial banks at the expense of New York insurers.

Prudent management is the best safeguard for life company investments and the bill would be an unwise handicap on the companies, Richard K. Paynter, vice-president and treasurer New York Life, said.

A lengthy brief was read by Oliver M. Whipple, financial vice-president of Mu-

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H. & A. Conference Discusses Fight on Compulsory Plans

Giving the public the full facts as to what such programs mean was pictured as the best way to combat compulsory health insurance schemes at both state and national levels, in a comprehensive discussion of the subject from all angles at the midwinter meeting of H. & A. Underwriters Conference at Chicago this week, with more than 140 in attendance. That discussion included a description of the campaign American Medical Assn. is now getting under way, which will put A.M.A. squarely behind the idea of private insurance and in fact will encourage the doctors to recommend to their patients and friends the purchase of that form of insurance.

The keynote of the session was sounded by V. J. Skutt, Mutual Benefit H. & A., conference president, in his opening remarks when he said that it would stress the "value of truth."

E. H. O'Connor, Insurance Economics Society, in his outline of the 1948 legislative picture found no reasons for discouragement but warned that there could be no letup in the fight at any point. Congress probably will not act on national health insurance or extension of social security to include temporary disability at the present session, as it will want more time to act, but he declared that it must be watched, vigorously opposed and no stone left unturned to expose its fallacies and particularly its costs to the American people.

Views on Social Security

He said the whole subject of social security should be handled on the basis not of what the national economy is now but what it probably will be several years hence. He referred to the great and steady increase of those over 65 and how it will affect the social security system.

He said it is quite likely that the S.S. act will be expanded to provide for higher payments and higher payroll taxes on employer and employee. It may extend to a number of classes not now covered. Permanent disability has been recommended by a majority of the advisory council in a report to the senate finance committee and that report will receive consideration.

On the state side, 42 legislatures are now in session, with two others to start later, and 40 bills touching on compulsory sickness compensation, hospitalization and medical care have been introduced in 10 states, Massachusetts, Colorado, Connecticut, Minnesota, Montana, New York, Tennessee, Washington, California and Wisconsin, and others are expected in Alabama, Illinois, Arizona, Oklahoma, Pennsylvania and perhaps Maryland and Nevada. He mentioned the pressure by Governor Dewey for a cash sickness bill in New York, possibly of the New Jersey type.

Opposes Even Competitive Plans

While some insurance men are willing to accept competitive state plans because they feel they might mean writing more business and would prevent the U. S. from entering that field, Mr. O'Connor said he cannot accept that viewpoint; that in the first place there will always be pressure for extension, probably to a point where the companies cannot follow, and further that the bureaucrats in Washington are only waiting for a chance to take these plans over.

R. J. Wetterlund, Washington National, chairman of the social insurance committee of the conference, said it is opposed to compulsory legislation in any form. It is taking no position for or against inclusion of self-employed and other classes under social security but opposes raising the tax base and provision for permanent disability benefits, as it would require setting up nation-

wide claim offices with all of the possible resulting abuses. It opposes increasing benefits under the Crosser act, which already are greater than under social security.

John P. Hanna, executive director and attorney of the conference, reviewed other legislation coming up this year. There has been one bill to provide for direct payment to hospitals and a similar measure is expected in Illinois in connection with the new hospital claim procedure in Chicago. Mention of licensing bills in some states caused some discussion of the fact that the N.A.L.U. qualification bill for life agents has as its goal the elimination of temporary licenses, and whether the conference should take any position on that question.

Discusses A.M.A. Program

The American Medical Assn. program was described by Clem Whitaker of the public relations firm of Whitaker & Baxter of San Francisco and Chicago, which has charge of the campaign. He said half of the budget set up for him by A.M.A. is to be used in helping insurance and prepaid plans. "The greatest contribution you can make to the campaign," he added, "is to sell more policies."

R. A. MacDonald, Great-West Life, made a preliminary report on his study of impaired risks, which is to be developed in more detail at the annual meeting of the conference in May. He said the replies to a questionnaire sent out at his request showed that conference companies are interested in the subject and that the great majority would like to have some plan worked out for giving such risks standard coverage at an increased rate. He is working out a sub-standard morbidity rating manual which is expected to be completed about April 1. The rating is set on the pure premium, which each company determines for itself, so that there is no danger of running afoul of anti-trust laws. The manual is divided into nine

Virginias Led '48 Ordinary Increases

The Virginias led all states in increases in national ordinary sales for 1948. Compared with a national drop of 2% for the year, Virginia chalked up a gain of 6% and West Virginia sales were up 5% over 1947, an analysis by Life Insurance Agency Management Assn. shows.

Vermont showed the greatest rate of increase in ordinary life sales in December. Countrywide, ordinary business decreased 11% in December while Vermont sales gained 9%, Texas, 2% and Mississippi 1%.

Declines were the rule in the large cities both for December and for the year. Each of the following figures represents a percentage decrease, the first figure decrease for December, the last figure decrease for the year:

Boston, 36, 14; Chicago, 18, 6; Cleveland, 18, 7; Detroit, 15, 4; Los Angeles, 17, 6; New York, 23, 9; Philadelphia, 24, 3; St. Louis, 23, 9.

UCD Bill in Delaware

A bill has been introduced in the Delaware senate for an unemployment compensation disability scheme. All employees covered by the unemployment compensation law would be entitled to benefits up to \$18 a week for a maximum of 22 weeks for wage loss due to sickness or injury. The business could be written either by a state fund or by private insurers and there would be a 1% tax on employees.

sections and lists about 900 impairments.

H. G. Kenagy, vice-president of the Mutual Benefit Life, emphasized that

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Construction Cost Too High in Low Cost Housing Field

NEW YORK—Inflated construction costs have just about pushed life companies out of the low rent housing field. Company spokesmen indicate they intend to finish housing developments already started but they state there is little likelihood of anything new being done in the low rent field for some time to come.

Plans for middle income class housing may materialize but in that field also investment officials are cautious. What the country apparently needs is rental housing at about \$12 to \$15 a room. But the construction dollar today is only worth 46% of what it was 10 years ago. Building costs per room run \$2,000 to \$3,000. Company officials say you don't have to be an actuary to realize how long it is going to take to run off the original investment. It takes so long, in fact, that depreciation of the original structure is a serious problem.

Subsidy Needed

Even with partial tax exemptions, some form of outside subsidy is necessary to build and operate the housing and receive the necessary return on the investment.

Company duty to policyholders dictates that funds be invested where they will earn a reasonable rate of interest. The companies realize the nationwide housing problem but believe that for the present, at least, the best contribution they can make is to continue their mortgage lending to small home owners and builders.

Some adverse public reaction has been noted but it has been scattered. Generally it has arisen where over-enthusiastic publicity was given by the press, without encouragement from the companies, to housing possibilities still in the early stages of planning. Some papers picked up these reports and boomed them as definite indications the companies were going to build projects in close contact with civic authorities in these areas and feel that their position is pretty well understood.

Unjustified Charges Made

The Chicago "Tribune" recently ran a front page story stating that the life companies had left the city in the lurch so far as housing is concerned. In Detroit, similar publicity appeared. There one politician said that he was going to "introduce legislation which would force the life companies to invest in public housing just as the statute in Texas does." The companies were quick to point out that no such legislation exists in Texas.

Bill Would Waive Debts Under Civil Relief Act

WASHINGTON—Relief of commercially insured service personnel from refunding to the government life insurance premiums and interest thereon, guaranteed under the soldiers and sailors civil relief act, is proposed in a bill introduced by Rep. Cunningham. It provides that government payment to an insurer of such premium and interest shall not constitute a lien in favor of, or a debt due to, the government, which would thereby be denied the right to collect such amount from insured. Any such collections already made would be refundable to insured.

Mail Order Bill in Conn.

HARTFORD—The substituted service of process bill aimed at mail order insurers, which was approved by N.A.I.C., has been introduced in the Connecticut legislature by the chairman of the house committee on insurance. It has the backing of Commissioner Allyn.



CLOSED OR SOLD

We must recognize and give full weight to the distinction which exists between the terms, "closed" and "sold." We must acknowledge that just because we have secured the prospect's name on an application form doesn't necessarily mean that we have sold him.

To sell a prospect so that he will "stay sold" we must so dramatize his need for our plan and present our solution to those needs so forcefully that there is no doubt whatever left in his mind as to the wisdom of investing his money in our plan.

We must make our sales message so vivid and let the impact of it fall so solidly on our prospect that one, two, yes, even ten years hence he will remember why he invested in our plan.

Insurance in Force — December 31, 1948 — \$395,053,146

COMMONWEALTH
LIFE INSURANCE COMPANY
LOUISVILLE

Pauley Becomes H. & A. Conference Managing Director

**Veteran Leader in Business
Takes Gordon's Post—
Hanna Associate**

C. O. Pauley has been named managing director of H. & A. Underwriters Conference to fill the vacancy which has existed since the death of Harold R. Gordon last July. John P. Hanna, who has been executive director and attorney, becomes associate managing director. The selections were made by the executive committee at a meeting in Chicago in connection with the midwinter meeting of the conference this week and confirmed by the conference at the closing session of its meeting. Both are effective April 1.

Mr. Pauley is resigning as secretary of Great Northern Life after being associated with that company and its predecessors since 1914. He started in the business in 1911 as an agent of the old States Accident of Chicago. He made his first contact then with H. G. Royer, who started in the same day and with whom he has been associated ever since. The company was reinsured in 1913 by American Bankers and Mr. Pauley became assistant manager of its accident and health department. He resigned later that year and early in 1914 persuaded Mr. Royer to join him in purchasing the charter of the old Amicable Accident Assn. of Chicago, the name of which was then changed to Central Business Men's Assn. In 1923 they purchased Great Northern Life of Wausau, Wis., moved its executive office to Chicago and merged Central Business Men's with it.

Mr. Pauley has long been recognized as one of the clearest minds and keenest thinkers in the business. He has served as president of the conference and of International Claim Assn. and has been one of the leaders in conference affairs ever since he entered the company ranks. He also has been active in inter-organization industry activities. His son, Burton S. Pauley, is vice-president and actuary of Great Northern.

Mr. Hanna joined the conference early in 1947 in the legal department and was named executive director and attorney several months ago. His work has been especially in connection with insurance department and industry affairs.

Pioneer America Life of Houston was admitted to conference membership.

Shenandoah Ups Colhoun

E. Dudley Colhoun was promoted by Shenandoah Life from superintendent to director of agencies, a post he will share jointly with G. N. Dickinson, Jr. Mr. Colhoun was appointed superintendent of agencies about three years ago but was elected by the board of directors to his present post.

Greene Succeeds Tiffany

Harry S. Greene, manager of Prudential at Miami, has been transferred to Harrisburg as manager. He succeeds William S. Tiffany, who has asked to be relieved of managerial duties, but will continue with Prudential as a personal producer. Mr. Greene joined Prudential in 1940 at Orlando.

Ronald Pariseau was recently appointed assistant manager of the personnel department at the John Hancock home office.

Company Reaction to Talk of More Compensation

Company agency department officials are very much interested in the recent clamor among segments of the agency forces for increased compensation, a survey of home offices indicates, but they believe that because of section 213 of the New York insurance law and other factors as well, there are many reasons why no change is imminent.

Primarily they state that the present expense limitation law makes it impossible for any company to issue a contract which will satisfy the platform of the National Assn. of Life Underwriters compensation committee. Contrary to any reports about individual companies entered in New York having issued contracts which comply with the N.A.L.U. compensation committee standard, they do not believe that any company can or does satisfy that request. Agency officials have given the problem much sympathetic study, and the answer of even the most willing actuary is that it can't be done.

Get Something, Lose Something

One company may grant the commission asked and the renewals asked, but if it does, then it is unable to comply with the requests for completely vesting the agent's right to the renewal, for pension or group life coverage, or for social security or the service fee. On at least one of these points, if not more, the contract cannot be written to meet the requirements of the statute.

They point out, however, that they do not flatly state that it cannot be done and then wish to have the matter forgotten. They fully realize the income problems of the agents and like nothing better than a satisfied field force.

One official said his company has an open mind on the subject and that it

is always interested in keeping abreast of what ought to be done. "Perhaps we have been sinners in not educating the agents better as to what can be done," he said. Much of the present misunderstanding comes from the lack of understanding of the New York statute. A full explanation of this and company problems, in layman's language, would probably ease the minds of everyone on the subject, he concluded.

Trend to Career Contracts

Another official emphasized that the companies were doing much more on career contracts. His company recently drew up a career contract and offered it to its agents, 83% of whom accepted it. The others didn't want it. Some agents indicated that they would rather have the old contract which didn't tie them so completely to the company but left them the opportunity of switching companies if they wanted to without losing as much as they would if they terminated a career agreement.

It was also pointed out that the agents as a group are not as much interested in the compensation problem as the hulabalo would indicate. His company has thousands of agents and has had only a few minor complaints from them. Another official said that his company got along very amicably with its field force and pointed out that agitation for compensation increases came principally from Detroit, New York and Atlanta.

He suggested the agent get all the facts when he hears that a company has come out with a desirable contract. A comparison of all provisions would show that the company had to exclude something the agent now has.

One vice-president said that the suggestion

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Ohio National Management Wins Strong Support

Stockholders of Ohio National Life at the annual meeting at Cincinnati voted 78,588 to 3,060 to support the management in completing the program of mutualization that was decided upon in 1941. An attempt to upset the program had been launched by Roy L. Struble, a Cincinnati attorney; Harold C. Knecht of his law office and August A. Redings, who constituted themselves as a stockholders committee. They contend that the stock has a value far in excess of the \$40 a share, at which figure the stockholders in 1941 had agreed to mutualize.

President John Evans, in addressing the meeting, gave a thorough explanation of the situation from an historical standpoint to establish that the \$40 figure is thoroughly justified.

Related to Yield Trend

In the 1930's when the decline in interest rates set in with a vengeance, Mr. Evans declared, the management of Ohio National undertook to plot what its future course should be. The idea of increasing the non-participating premium rate was discarded on the ground that this would merely revise the estimate of future interest trends and at a smaller margin of safety as well as on a basis less competitive with the larger companies. The prudent course, it was felt, was to discontinue writing non-participating business. This change of policy was begun in 1936. On April 1, 1941, Ohio National discontinued entirely writing non-participating business and since then has been writing participating policies exclusively except for annuities and supplementary term riders.

Any dividend payable to stockholders arising from participating business must in the very nature of the business be small, he said. A large eastern multiple line stock company, for instance, has a charter provision that no dividends can be paid to its stockholders arising from profits of the participating business. A large midwestern stock company writing both non-par and participating business, provides that the dividend to stockholders from participating business profits is limited to 10% of gross participating profits and in any event never to exceed 50 cents per \$1,000 of insurance. Another stock company writing participating insurance, limits dividends which can be paid to stockholders to 10% of profits, another company to 10% of the par value of the stock.

Cites Illinois Law

The Illinois law provides that no company can pay over 10% of profits arising from participating business to stockholders.

Since deciding that the future solvency could best be guaranteed by writing participating business and in view of the limitations on dividends to stockholders that this move would entail, the management decided that the logical course was to provide for eventual mutualization. At the same time the responsibility to stockholders was constantly borne in mind. In the absence of a mutualization plan, the directors undoubtedly would have recommended a limitation of stockholder dividends.

The mutualization contract that was made in 1941 provides payment of \$3,314,320 to stockholders. This was considerably in excess of the entire capital and surplus at that time. Also it is provided that during the period of mutualization, dividends to stockholders are limited to 12½% of the par value.

It was felt that the stockholders were entitled to the entire capital and surplus as of the date of the plan, even though some participating business had been written since 1929. To capital and sur-

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National Quality Award

There is an old saying that "Virtue is its own reward." The great virtue about an underwriter's winning the National Quality Award is that he has to earn it to get it and the earning makes a better underwriter of him.

The application must go through the General Agent and then through the Home Office of his company. There will be a lot of "Qs" awarded this year—judging by the experience of last year—and if you have earned your "Q" let us hope that you apply for it.

The deadline is February 28. So if you will obtain your application blank now and start working up the statistics which determine your qualifications you can get the application put through your General Agent, who will put it through the Home Office, which must endorse it and file it at the "Q" headquarters by February 28 to make the award possible.

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THE PENN MUTUAL LIFE INSURANCE CO.

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Companies' 1948 Year-end Figures Are Shown

	Total Assets	Increase in Assets	Surplus to Policy-holders	New Bus.	Ins. in Force Dec. 31, 1948	Increase in Ins. in Force	Prem. Income	Benefits Paid	Total Disburs.
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Acacia Mutual, D. C.	192,930,179	16,423,914	7,209,935	121,659,613	875,359,684	73,908,329	24,509,549	8,856,622	18,556,637
Bankers Life, Iowa	458,776,803	33,037,708	26,871,660	171,594,793	1,376,323,037	94,400,491	45,701,079	23,856,526	42,044,539
Central Life, Iowa	100,904,312	16,378,350	8,084,256	41,350,963	280,620,813	29,853,629	7,531,105	5,483,812	8,194,193
Connecticut Mutual	724,289,848	46,944,413	37,093,804	208,136,931	1,831,584,110	133,616,168	65,233,789	40,454,428	68,741,023
Continental American	59,223,997	4,249,966	4,329,820	21,984,218	217,380,331	11,014,192	6,741,099	3,091,097	5,444,692
Dominion Life	81,861,047	6,474,987	3,180,799	58,951,108	371,282,341	38,984,832	10,332,637	4,921,832	9,098,491
Great Northern	15,937,496	1,365,012	1,912,347	9,049,302	65,012,477	3,892,580	1,804,431	1,529,932	3,415,570
Jefferson Standard, N. C.	221,144,911	21,287,625	26,200,000	122,365,121	820,725,276	73,223,754	26,585,409	9,273,819	20,453,441
Kansas City	209,839,955	13,943,732	11,151,156	98,595,422	774,047,085	42,544,954	22,131,785	9,820,681	17,695,543
Lincoln Liberty	13,225,436	706,898	1,824,385	8,969,596	63,328,527	4,245,225	1,792,110	831,299	1,716,492
Midwest Life	7,866,306	430,668	779,223	8,073,126	43,215,879	3,440,575	957,440	392,016	973,999
Mutual Savings, St. Louis	19,843,176	26,116	1,014,020	2,167,920	44,919,892	—	—	—	—
Northern Life	45,751,111	3,893,640	4,500,625	199,593,764	217,202,515	16,254,524	27,547,013	22,883,420	26,426,530
Ohio National	97,604,507	6,250,280	5,000,498	64,522,720	385,433,180	34,300,055	10,778,273	4,902,290	9,842,334
Ohio State	46,957,024	5,905,342	4,259,723	24,835,189	197,394,281	14,239,950	5,822,425	2,137,243	4,538,947
Old Line Life	37,554,300	2,195,367	1,160,253	15,085,307	124,230,895	8,885,939	4,962,648	2,481,890	4,460,373
Phoenix Mutual	477,891,174	31,007,796	21,969,277	101,848,741	1,016,432,555	61,896,044	41,568,327	33,085,700	38,455,003
Security Mutual, Neb.	14,371,316	1,495,200	921,250	12,944,164	79,523,885	7,272,014	2,165,303	732,450	1,528,987
Shenandoah	26,414,718	2,614,631	3,275,083	26,319,474	359,892,658	9,149,150	7,173,138	4,129,700	6,365,365
Standard, Indiana	7,460,623	1,213,167	816,713	8,488,821	52,014,879	3,785,947	1,798,880	339,082	1,984,624
Union National	8,580,532	2,199,455	604,871	24,916,434	87,154,933	13,567,994	2,954,048	176,573	1,376,788

¹Excluding increases and revivals.

²Including A. & H.

Urge Impartial Agency to Weigh Welfare Plans

WASHINGTON—Establishment of an impartial government actuarial or similar agency is being urged by federal labor officials to make factual studies and reports helpful to management and labor in arriving at safe figures and on safe ground in negotiation and development of union welfare funds, insurance coverage, disability and medical care, pension and retirement plans, etc. This proposed project is regarded as significant in view of the present tendency among labor leaders to obtain more and more benefits of a welfare fund character in negotiations with employers.

The government people say it would be helpful to both sides in collective bargaining on such subjects to have a clear, factual picture of what such would cost, whether the industry concerned could bear the burden, how many would participate, and so on. Whether such findings would be accepted by either or

both sides is another matter.

However, actuaries have repeatedly suggested in recent years the desirability of setting up a government actuarial office to advise Congress and the executive department on costs and other factors involved in programs and projects concerned with pensions, social security, railroad retirement, health, medical care, veterans benefits, etc.

In connection with the latest suggestion of a government office to study welfare plans and projects, some say it should be in the Department of Labor, others with the social security administration. It could work up experience figures tending to show how many persons of a certain group would probably take advantage of a pension plan, how much of a reserve fund would be necessary to carry out a union welfare plan, and other background data.

The schedule of insurance courses for the spring term has been announced by the College of the City of New York.

Mutual Trust Names Three General Agents

Mutual Trust Life has appointed as general agents Jack B. Hawkins at Worcester, Mass.; O. G. Hertsgaard at Racine, Wis., and Norman M. Parkhill at Rochester, N. Y.

Mr. Hawkins joined Mutual Trust Life in 1937 after having been with Guardian Life and has served as agent in Boston, general agent at Worcester, assistant manager of the eastern department, manager of the New England division and general agent in Boston. He returns to active status after a period of ill health. He succeeds George L. Blake, who recently became a supervisor in the eastern department office at New York City.

Hertsgaard's Experience

Mr. Hertsgaard heads a second Racine agency. He was formerly with Mutual Trust's general agent there, Norman H. Benson. Before that he was with Phoenix Mutual Life. He is a former teacher.

Mr. Parkhill, a University of Rochester graduate, has been with Phoenix Mutual for two years specializing in programming and estate analysis. Mutual Trust has not had an agency in Rochester for a number of years.

Dr. Cochran Promoted

Dr. Harry A. Cochran, Jr., assistant medical director since 1945, has been appointed associate medical director of Reliance Life. He is a graduate of University of Pittsburgh and its medical school. He served overseas with the army.

Elect Hertsgaard Director

O. I. Hertsgaard, retired since 1941 as general agent at Minneapolis for Mutual Trust Life, has been elected a director of that company. Mr. Hertsgaard originally joined the company in 1913, becoming general agent in 1920. He is past secretary, vice-president, president and chairman of Minneapolis Assn. of Life Underwriters.

Atlantic Advances Bache

H. K. Bache, Jr., has been elected secretary of Atlantic Life. He was formerly assistant secretary. He succeeds Adolphus B. Scott, who continues as general counsel and director. Mr. Bache joined the company in 1927 as a clerk in the agency department.

Northwest Grain Dealers' Assn. of Spokane has been polling member companies to determine their desire for association group insurance.

George F. Fricker, 80, who had been with Connecticut Mutual Life for 50 years prior to his retirement 6 years ago, died. He was a charter member and a one-time president of the Akron Life Underwriters Assn.

Mass. Companies Needn't Pay Out Boosted Reserves

BOSTON—When a life company voluntarily sets additional reserves behind its policies that does not change the cash surrender and loan values provided in the contracts between the company and its policyholders, Attorney-general Barnes has ruled in an opinion given Commissioner Harrington.

The opinion has been sent all companies domiciled in Massachusetts with a request that the opinion be clarified by law through the initiative of the companies.

The question is limited to policies issued before Jan. 1, 1948 and governed by the law which was in force before the effective date of the Guertin legislation, modernizing reserve and non-forfeiture standards.

Mr. Barnes in his opinion states "the matter is not altogether without doubt. There has been no judicial construction of the pertinent provisions of said section 144 but in the absence of such determination, which might properly be obtained by a petition for a declaratory judgment."

Harrington warns that reliance upon the opinion as a basis for precluding the adjustment of non-forfeiture benefits should be avoided and that any company establishing the additional reserve should seek clarification of the law by petition for a declaratory judgment.

Insurers Aim to Capture Much T.D.B. from State Fund

NEWARK—Heartened by their success in covering New Jersey employers for temporary disability benefits under private plans, group men are concentrating on capturing for their companies as much of the state-fund business as possible by April 1. Such changes are permitted by state law on a quarterly basis. In California the companies were able practically to double their original production with business taken from the state fund after employers had gone into it.

Hold A. & H. School in Utah

Utah A. & H. Club in January sponsored a two-week course at University of Utah, extension division at Salt Lake City. F. Edward Walker, manager of Mutual Benefit H. & A., was supervisor of the school. Instructors were John Allein, vice-president and treasurer of Equitable Life & Casualty; A. Harry Good of the Walker Agency; Raymond Ross, agency supervisor of Equitable L. & C., and eight general agents; Ford Crandall, Metropolitan Life; Robert E. Florian, Aetna Life; Walter Jones, B.M.A.; L. S. McQuarrie, Washington National; Leo Porter, Columbian National Life; D. C. Stephens, Security Life & Accident, and Harry Syphus, Beneficial Life.

Mr. Allein is president of Utah A. & H. Club, and the educational committee consists of Mr. McQuarrie, J. E. Hall, World, and Persyl Richardson, Walker agency.

Reject Salary Boost Bill

DES MOINES—The house insurance committee turned down a proposed bill to establish a salary scale of \$150 a week for examiners on foreign companies and \$120 on domestic companies, and \$90 a week for assistant examiners. The present scale is \$20 a day for examiners and \$15 a day for assistant examiners.

On Boston Mutual Board

Daniel Bloomfield, for 25 years manager of the retail trade board of Boston Chamber of Commerce, has been elected a director of Boston Mutual. He is also director of the Boston conference on distributing problems, and managing director of the Massachusetts Council of Retail Merchants.

A
Cliff McMillen
Concept:

That you can't be a friend to everybody—everybody may not want your friendship. But you can be sincere and tolerant in your dealings with all men. Acquaintance begets Confidence—Confidence begets Friendship—Friendship begets Business. A hermit never succeeded in selling much life insurance.

Clifford L. McMillen
347 Madison Avenue
New York 17, New York

No. 5 of a series—No. 4 appeared last week.

CONTINENTAL COMPANIES

General Offices: Chicago, Illinois

Continental Casualty Company

Financial Statement — December 31, 1948

ASSETS

Cash	\$ 20,660,272.98
*United States Government Obligations.	30,775,084.00
*Canadian Government Obligations....	4,195,318.48
*Other Public Bonds.....	10,584,882.0t
*Railroad Bonds and Equipment Trust Certificates	1,205,814.50
*Public Utility Bonds.....	1,454,383.50
*Miscellaneous Bonds	1,691,448.00
*Preferred Stocks	5,689,677.00
*Stocks of Associated Insurance Companies	5,221,944.00
*Other Stocks	8,942,043.00
Mortgage Loans	71,948.45
Administrative Office Buildings.....	3,621,761.38
Premiums in Course of Collection.....	8,725,579.95
(Not over 90 days past due)	
Accrued Interest and Rents.....	393,635.65
Other Assets	603,710.31
ADMITTED ASSETS	\$103,837,503.21

LIABILITIES

Unearned Premium Reserve.....	\$ 26,584,603.83
Reserve for Claims.....	35,032,179.09
Miscellaneous Liabilities	6,168,017.56
Reserve for United States and Canadian Income Taxes	2,061,318.03
General Contingency Reserve.....	7,350,000.00
Capital	\$ 6,000,000.00
Surplus	20,641,384.70
Capital and Surplus.....	26,641,384.70
TOTAL	\$103,837,503.21

*Eligible bonds amortized. Insurance stocks valued on basis of pro-rata share of capital and surplus. All other securities at quotations prescribed by National Association of Insurance Commissioners.

Net premiums written during 1948 \$77,668,318.09
Increase over 1947 13,590,364.94

DIRECTORS

W.M. MCGOWAN BLAIR <i>William Blair & Company</i>	HARRY W. DINGMAN <i>Vice President and Medical Director</i>
WILLARD N. BOYDEN <i>Vice President</i>	FRANK R. ELLIOTT <i>Director, Harris Trust and Savings Bank</i>
ROLLIN M. CLARK <i>First Vice President and Secretary</i>	BOYD N. EVERETT <i>Vice President and Treasurer</i>
M. P. CORNELIUS <i>General Counsel</i>	CHARLES F. GLORE <i>Glore, Forgan & Co.</i>
EDISON DICK <i>Director, A. B. Dick Company</i>	

*Continental Casualty Company only

Continental Assurance Company

Financial Statement — December 31, 1948

ASSETS

Cash	\$ 4,721,153.35
*United States Government Obligations.	26,191,520.00
*Canadian Government Obligations....	208,981.00
*Other Public Bonds.....	502,728.61
*Railroad Bonds	9,789,261.22
*Public Utility Bonds.....	33,176,099.65
*Miscellaneous Bonds	20,561,899.21
*Preferred Stocks	6,137,129.00
Mortgage Loans	12,060,493.39
Policy Loans	3,989,348.72
Home Office Building.....	3,199,101.24
Elgin, Illinois, Housing Project.....	526,545.17
Other Real Estate Acquired for Investment	960,685.24
Net Deferred and Uncollected Premiums	4,093,944.60
Accrued Interest and Rents and Other Admitted Assets	761,617.69
ADMITTED ASSETS	\$126,880,508.09

ADMITTED ASSETS \$126,880,508.09

LIABILITIES

Statutory Policy Reserves.....	\$ 99,806,767.98
Pending Claim Reserve.....	3,320,940.48
Premiums Paid in Advance.....	5,023,368.08
Miscellaneous Liabilities	5,425,635.42
Group Contingency Reserve.....	1,575,000.00
General Contingency Reserve.....	985,000.00
Capital	\$3,000,000.00
Surplus	7,743,796.13
Capital and Surplus.....	10,743,796.13
TOTAL	\$126,880,508.09

*Eligible bonds amortized. All other securities at quotations prescribed by National Association of Insurance Commissioners.

Insurance in Force as of December 31, 1948 ("Paid-For" Basis) \$1,051,147,006
Increase over 1947 181,290,870

DIRECTORS

NORMAN HOAG <i>Vice President</i>	HOWARD C. REEDER <i>Vice President</i>
ARNOLD B. KELLER <i>Senior Consultant and Director, International Harvester Company</i>	J. M. SMITH <i>Vice President</i>
F. D. LAYTON <i>Chairman of the Board, National Fire Insurance Company of Hartford</i>	R. DOUGLAS STUART <i>Vice Chairman of the Board, The Quaker Oats Company</i>
STUART J. TEMPLETON <i>Wilson & McIlvaine</i>	ROY TUCHBREITER <i>President</i>

*Continental Assurance Company only

The Continental Year Book discloses in greater detail the Companies' operations and financial structure. It will be furnished upon request.

Casualty Insurance

Fidelity and Surety Bonds

Life Insurance

Agenda for U. S. Chamber Insurance Group Given

WASHINGTON — The tentative agenda for the meeting of the insurance committee of the U. S. Chamber of Commerce at the Waldorf-Astoria, New York, Feb. 9, will include the following items of life insurance interest: manager's report, report on revision of expiring policy and new policy declarations; review of compulsory health insurance situation and presentation of new policy declaration; the chamber's expanded program of public education on dangers of compulsory health insurance; future of the hemispheric insurance conference and report on the second conference; termination of National Service life insurance—report on legislation based on the study of Secretary Forrestal's advisory commission on service pay.

\$70 Million Group Case

Equitable Society has written \$70 million of group life on 17,000 employees of Standard Oil of California. This is on a contributory basis, supplementing a non-contributory life program in effect since 1918. The new plan provides coverage equal to one year's pay with a minimum of \$2,000.

SHOW 1948 INSURANCE RESULTS

	New Bus. 1948	New Bus. 1947	1948 Inc. in Force	1947 Inc. in Force
Acacia Mutual	121,659,613	141,045,310	73,908,329	89,770,192
Berkshire	35,618,509	38,873,719	18,598,445	20,009,715
Central Life, Iowa	41,350,963	28,234,578	29,853,629	19,733,355
Colonial	33,434,832	35,446,622	15,156,243	16,449,374
Connecticut Mutual	208,136,931	227,303,631	113,615,169	157,755,823
Dominion	58,951,108	48,617,286	28,984,832	26,549,881
Gulf Life	118,425,424	118,343,445	35,559,244	35,489,354
Jefferson Standard	125,903,663	120,823,611	73,223,754	75,319,917
Kansas City	98,595,422	112,641,638	42,544,954	57,397,107
Knights Life	57,771,905	67,597,812	19,980,882	31,419,885
London Life, Canada	226,721,324	207,069,620	165,526,727	148,481,546
Ohio National	64,522,720	58,879,093	34,300,055	34,086,710
Phoenix Mutual, Conn.	104,662,479	104,192,668	61,896,044	67,435,670
Southland	37,480,630	37,629,697	16,599,156	19,279,910
Shenandoah	26,319,474	27,476,610	9,149,150	7,700,975

*Excluding revivals and increases.

Bankers C.L.U. Guests

LOS ANGELES — Los Angeles C.L.U. chapter held the third of a series of luncheons for business and professional leaders of the city, this time for bankers. Participants in previous luncheons were members of the bar and C.P.A.'s.

Henry Belden, Union Central, was chairman. Speakers were Richard F. Campbell, Union Bank & Trust Co.; H. Morgan Craft, Farmers & Merchants Bank, president of California Bankers Assn., and Conrad C. Jamison, Security First National Bank.

"Editor & Publisher" Runs Feature on Institute

The Institute of Life Insurance's public relations program and particularly its advertising is the subject of a page article in the Jan. 29 "Editor & Publisher." The article quotes President Holgar J. Johnson as saying that the Institute's greatest achievement in its 10-year history is the fact that virtually all executives in the life insurance industry recognize the existence of a public relations problem, and more important, recognize that it is theirs, a top level problem, not a routine one to be relegated to the lower echelons.

Trust Council Hears Arends

"Experience and Trends in Pension Trust Business" were discussed by Verne Arends, assistant secretary of Northwestern Mutual Life, at a dinner meeting of Milwaukee Life Insurance & Trust Council.

To Review Pension Systems

Mayor Wasson of Chattanooga has announced plans for an actuarial examination of the city's three pension systems. Four firms—George Buck, New York; F. P. Sloat, New York; Nelson & Warren, St. Louis, and the Wyatt Co., Washington, D. C., have been asked to submit bids. The city commission is afraid that its present pension setups are financially unsound.

Bill Authorizes Group Cover

DES MOINES—A bill authorizing the city council to procure group insurance for municipal employees was introduced in the house by Ted Sloane, and George O'Malley of Des Moines. It contemplates a comprehensive line of life, health, hospital and accident coverage.

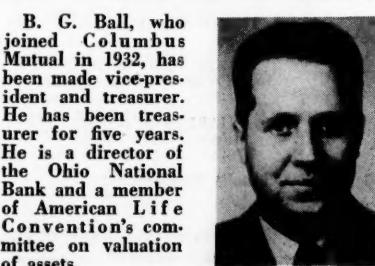
Bill Would Broaden Trustee's Power

HARRISBURG—A bill authorizing guardians of the estates of infant wards to invest, with leave of court, the income or principal of such estates, in policies of insurance and annuity contracts has been introduced in the Pennsylvania legislature. The bill has the backing of the Pennsylvania Life Underwriters Assn.

Now Vice-President

B. G. Ball, who joined Columbus Mutual in 1932, has been made vice-president and treasurer. He has been treasurer for five years. He is a director of the Ohio National Bank and a member of American Life Convention's committee on valuation of assets.

John L. Davies, Jr., of Davies & Davies; R. H. Treffinger of Burr, Porter, Stanley and Treffinger; and Maynard Donaldson of Hoskins & Donaldson, all of Columbus, were elected directors.



B. G. Ball

Three Promoted by Great American Reserve, Tex.

R. F. Woods, manager of the tabulating department, has been appointed assistant comptroller of Great American Reserve of Dallas.

In other company promotions, Clarence C. Martin, Jr., underwriter for the past four years, has been appointed manager at Austin. He is a graduate of the marketing school at Southern Methodist University.

James A. Lindsey has been appointed manager at Lubbock. He will replace Howard Walker who returns to personal production.

Mr. Lindsey was president of the company's life club in 1944 and 1945.

Convention for Managers

American Farmers Mutual, Central Mutual Fire and Mutual Service Life, all of St. Paul, held a district convention for managers at Minneapolis.

Barr to Join Blue Cross?

Chicago Blue Cross officials will neither confirm nor deny the report in a daily newspaper of Springfield, Ill., that Roy C. Barr, who has resigned as assistant Illinois insurance director, will take a post with Blue Cross.



FOLLOWING IS THE INTERESTING ASSORTMENT OF MATERIAL SUBSCRIBERS TO MANAGEMENT PLANS RECEIVED THIS MONTH:

(1) *A Plan Every Father With Young Children Should Know About.* An attractive booklet for the prospect. Tells the fascinating story of the Family Income Plan.

(2) *Sell That Interview!* A sales guide dedicated to making the first 5-minutes of the interview effective.

(3) *Paul Speicher Letter.* 4-pages of timely, inspirational copy.

(4) *A Life Underwriter Is Known By The Clients He Keeps.* A new departure in visual pages. Prestige builder and an assist in turning a cold call into a first-rate interview.

(5) *Bring That Teacher Into Your Agency.* An answer to one phase of the recruiting problem.

(6) *Best Sales Talk.* Particularly adapted to home interviews.

(7) *Bulletin Copy.* 8-pages of lively packed and illustrated material for the agency bulletin.

(8) *Newspaper Sales Stories.* Plus guide for agent who phones before calling.

(9) *An Agency Is Known By The Clients It Keeps.* Attractive wall-size poster of interest to every agency visitor.

Why have agency builders the country over continued for 35 years their Management Plans memberships? PERHAPS THE BEST ANSWER COMES FROM ONE MEMBER WHO SAYS: "BECAUSE IT KEEPS ME FROM EVER BEING MENTALLY MAROONED."



PAUL SPEICHER
Managing Editor

KANSAS CITY LIFE INSURANCE Company

OUR FINANCIAL CONDITION AS OF DECEMBER 31, 1948	
LIFE INSURANCE IN FORCE — \$774,047,085	
Total of all Liabilities under Policy Contracts	\$197,761,501.99
All Other Liabilities	927,247.83
Capital \$4,000,000 and Unassigned Surplus	
of \$7,151,185.67	11,151,185.67
Total of all Liabilities, Capital and Surplus	209,839,935.49
Cash in Banks, including \$515.45 accrued interest	1,448,649.49
Government Bonds, including \$182,885.79	
accrued interest	73,749,025.51
State, County and Municipal School Bonds,	
including \$193,380.99 accrued interest	14,850,168.87
Public Utility and Corporate Bonds, including	
accrued interest	8,990,398.21
Preferred Stocks	2,506,669.00
First Mortgages on Farm Property, including	30,702,613.74
\$441,673.50 accrued interest	
First Mortgages on City Property, including	19,943,997.75
\$95,898.21 accrued interest	
FHA Mortgages, including \$133,075.35	38,248,658.15
accrued interest	
Net Premiums Receivable and Policy Loans,	
including \$380,594.28 accrued interest	17,646,884.70
Real Estate Owned, including Home Office	
at \$1,200,000	1,752,870.07
Total Net Admitted Assets	209,839,935.49

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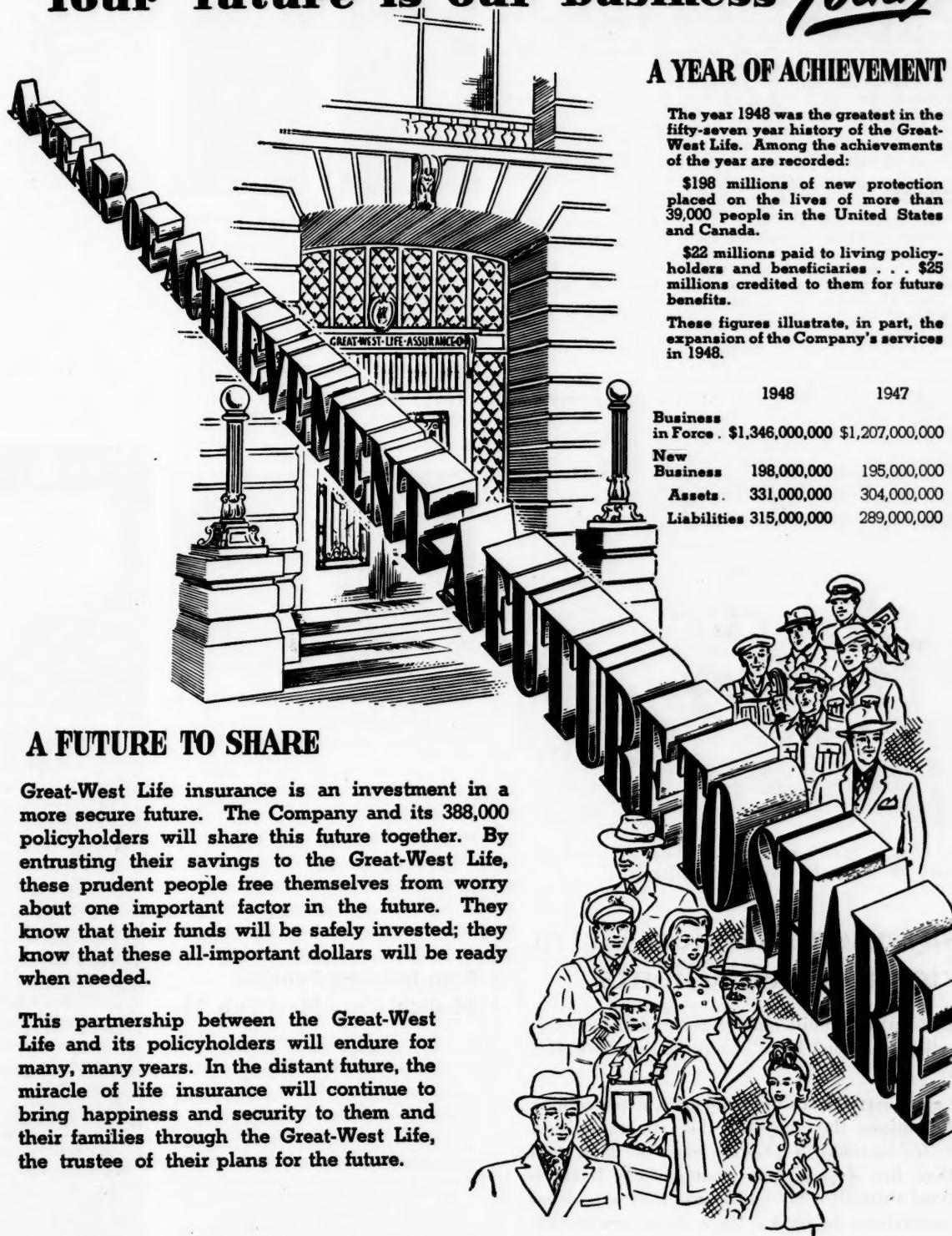
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VICE

Your future is our business *Today*



A YEAR OF ACHIEVEMENT

The year 1948 was the greatest in the fifty-seven year history of the Great-West Life. Among the achievements of the year are recorded:

\$198 millions of new protection placed on the lives of more than 39,000 people in the United States and Canada.

\$22 millions paid to living policyholders and beneficiaries . . . \$23 millions credited to them for future benefits.

These figures illustrate, in part, the expansion of the Company's services in 1948.

	1948	1947
Business in Force	\$1,346,000,000	\$1,207,000,000
New Business	198,000,000	195,000,000
Assets	331,000,000	304,000,000
Liabilities	315,000,000	289,000,000

A FUTURE TO SHARE

Great-West Life insurance is an investment in a more secure future. The Company and its 388,000 policyholders will share this future together. By entrusting their savings to the Great-West Life, these prudent people free themselves from worry about one important factor in the future. They know that their funds will be safely invested; they know that these all-important dollars will be ready when needed.

This partnership between the Great-West Life and its policyholders will endure for many, many years. In the distant future, the miracle of life insurance will continue to bring happiness and security to them and their families through the Great-West Life, the trustee of their plans for the future.

The
GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE-WINNIPEG, CANADA

Chicago Insurance "Phone" Book Is Distributed

The 1949 Chicago Insurance Telephone Directory is now being distributed. This is a 174 page listing of fire, casualty, life and allied insurance lines offices in the city. It is divided into two sections, offices in the Insurance Exchange building, and other offices in Chicago.

The 1949 edition lists all the new telephone numbers which were changed recently by the telephone company, as well as the firm address and postal zone number. There is a service guide of organizations allied with the insurance business.

Copies may be obtained from The National Underwriter Co. at \$1 each.

Lien Made Permanent

A permanent lien has been established as of Dec. 31, 1948 on policies of Royal Union Life of Des Moines that were taken over after receivership by Lincoln National Life 15 years ago. During the 15 year period of this trust, all profits arising from the liquidation of the assets of Royal Union and the operation of the business were used to reduce the lien placed against Royal Union policies

and, moreover, Lincoln National contributed more than \$200,000 toward the further reduction of these liens.

The liens will bear interest of 4% annually and the policyholders are being invited to pay off the lien entirely or by installments.

Polio Insurers to Meet

A meeting of Polio Insurance Assn. is to be held at Stoneleigh hotel, Ft. Worth, starting at a luncheon Feb. 22. There will be an informal discussion of experiences of the companies writing polio insurance and of underwriting and claim settlement problems. All companies writing this type of insurance are invited to attend and take part in the discussion. Reservations should be made through Taylor Moore, 909 Petroleum building, Ft. Worth, who is secretary of the association.

Texas Home Office Life Underwriters Assn. is holding its meeting at the same hotel that evening.

W. T. Grant, chairman of Business Men's Assurance, and Mrs. Grant are on a trip to the Hawaiian Islands aboard the "Lurline." They are accompanied by a group of friends who also traveled to South America with them last year.



"This bird only buys a \$1,000 policy at a time . . . and he always calls me over the day after a blizzard!"

Bankerslifemen Render Extra Service to Their Clients

While Bankerslifemen have built quite a reputation for extra service to their clients we don't know of any who are including snow shoveling.

Rather, their extra services are built upon the extraordinary knowledge of the business they have and the extra values they find in Bankers Life contracts to meet the exact needs of their clients. From their first days in their agency offices, Bankerslifemen are trained through study and actual field experience under careful supervision to render these extra services efficiently.

The fine sense of responsibility which they have for their clients is just one of the reasons Bankerslifemen are the kind of life underwriters you like to know as friends, fellow workers, or competitors.

**BANKERS Life COMPANY
DES MOINES**

Four Promoted by Equitable, Ia.

Equitable of Iowa has promoted R. H. Richards to superintendent of bonds; H. S. Jacobs to superintendent of serv-



H. S. Jacobs



H. H. Richards

ice; J. W. Hubbell, Jr., to loan supervisor; and George Pease to editor of "Equiowa."

Mr. Richards has been assistant superintendent of bonds since March, 1947. He had been with the SEC, U. S. Steel Corp., and the Savings Bank Trust Co. of New York. He is a graduate of University of California and Harvard business school.

Mr. Jacobs joined the company in 1926 after having been an agent. In 1936 he was placed in charge of printing, purchasing and supplies, and in 1941



George Pease



J. W. Hubbell, Jr.

was appointed manager of the new service section which incorporated these functions.

Mr. Hubbell joined the city loan section in 1946 following graduation from Harvard. He is a great-grandson of F. M. Hubbell, founder of Equitable of Iowa and a son of its secretary-treasurer. He is a naval veteran.

Mr. Pease went to the home office in 1932 after two years as an agent in Wichita.

A graduate of University of Wichita, he entered life insurance after 10 years of newspaper and advertising experience.

Plan Industry Pension, Medical Care Meet Feb. 15

The personnel conference of American Management Assn. to be held at the Palmer House in Chicago, Feb. 14-16, will feature an employee pension and medical care session the morning of Feb. 15. Herbert L. Jamison, New York pension expert, will discuss practical aspects of establishing and administering pension plans. W. Ward Donohoe, insurance and social security department of Standard Oil of New Jersey, will trace the spread of state-administered health and accident programs from the point of view of cost, effect on existing industrial plans and administrative problems. Edwin E. Witte, chairman of the economics department of the University of Wisconsin, will discuss trends in payment for medical care both through labor-management agreements and through legislation.

LOMA Proceedings Issued

Life Office Management Assn. is distributing its 1948 printed proceedings. This contains papers and reports presented at the spring and annual conferences.

Insurance Bar Steering Group Meets at Chicago

Members of the council of the insurance division of American Bar Assn., together with committee chairmen, the entire group numbering about 30, gathered at Chicago Sunday to review developments and make tentative arrangements for the annual meeting at St. Louis, Sept. 5-9. Henry Nichols, vice-president and general counsel of National Surety, as chairman of the section, presided. The committee on insurance supervision and regulation, headed by Cecil Fraizer, general counsel of H. & A. Underwriters Conference, had a meeting in the morning and the entire group felt that at the annual meeting accident and health and compulsory disability insurance legislation should be strongly featured.

Chase Smith of the Kemper organization suggested that an annotation and study of administrative and discretionary power of the insurance commissioners should be undertaken. There will be about six round table meetings during the week in addition to the general sessions.

Daniel D. Fulmer has been elected president of **Travelers Men's Club** of Columbus, O. Allen C. Hale is vice-president; Joseph W. Ray, Sr., treasurer, and George J. Schorr, secretary.



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Cavanaugh Heads Ill. Federation

L. D. Cavanaugh, president of Federal Life, was installed as president of Insurance Federation of Illinois at the annual luncheon meeting this week which brought such a large attendance that tables had to be set up in the balcony. He takes over from Ray Wetterlund of Washington National.

The main speaker was Ray S. Bass, treasurer of A. E. Staley Manufacturing Co. of Decatur, and vice-president of American Management Assn. in charge of the insurance division, who surveyed the insurance scene from the standpoint of the buyer.

Harry B. Hershey made his first appearance before an insurance audience since assuming office as Illinois insurance director. He was introduced by his law partner, Charles E. Bliss of Taylorville and he responded in gracious manner saying that he will pursue the open door policy.

Mr. Wetterlund was presented with a wristwatch in recognition of his services.

Wetterlund Board Chairman

He now becomes chairman of the board. The first vice-president is John A. Henry, general counsel of Continental Casualty and Continental Assurance, and executive secretary-treasurer is Mrs. Lillian L. Herring. Chairman of the executive committee is Harry H. Fuller, deputy U. S. manager of Zurich. There are five other members including E. H. Henning, president of Illinois Bankers Life. There are 15 vice-presidents and 35 directors.

Mr. Bass spoke with disfavor on efforts to impose statutory limitations on group life insurance. The regulations in this field until now, he said, have been for the purpose of making improvements and broadening the coverage. Despite the fact that ordinary insurance agents may stand to earn more by restrictions that are proposed, he expressed the belief that statutory limits should not be enacted restricting in any way the amount of group life insurance that may be sold. This question should be determined by the insurer and the purchaser as it relates to the needs of the employee and the wishes of the employer so long as sound underwriting rules apply.



L. D. Cavanaugh

Rumor Bartsch to High Ill. Post

According to rumors printed in Springfield newspapers, Frank J. Bartsch is expected to be named chief deputy of the Illinois insurance department under Harry B. Hershey. For the past 21 years Mr. Bartsch has been deputy of the Illinois department in charge of the bureau of liquidations, conservations and rehabilitations. He has handled the liquidation of more than 200 companies and he has served under six governors.

It is also reported in Springfield that Frank Young of the Springfield law firm of Gillespie, Burke & Gillespie, will occupy a prominent position in the department. He had been mentioned as a possibility for appointment as insurance director. He was an attorney in the department during the administration of Governor Horner.

F. M. Martin of Taylorville has been named as office manager replacing Fred C. Fieker of Carlinville, who remains, however, with the department as supervisor of the assessment life division.

Portnoy-Salomon Names Weddell to Group Post

Robert W. Weddell has resigned as assistant vice-president of Continental Assurance to become vice-president in charge of group and employee benefit sales for Portnoy-Salomon & Co., general agents for Crown Life at St. Louis. Mr. Weddell entered the business at St. Louis and had been in group sales work at the Continental Assurance office for 10 years.

Robert E. Hannegan, former postmaster general, who recently sold the controlling interest in the St. Louis Cardinals, will devote full time to insurance as chairman of Portnoy-Salomon and as a partner in Brandwein, Hannegan & Sid Salomon, Jr., Inc. in New York. A former commissioner of internal revenue, Mr. Hannegan specializes in business and corporation tax problems as they relate to life insurance.

Ask Mont. Recodification

A bill has been introduced in the Montana legislature for revision and recodification of the insurance laws, appropriating \$10,000 for the purpose. This is supported by the Montana department, Montana Assn. of Insurance Agents, and Montana Assn. of Life Underwriters.

There is a senate bill to repeal requirement of publication of synopsis of annual reports of insurance companies.

Panel for N. Y. Compensation Forum



The "town hall" meeting on compensation held by the New York City Life Underwriters Assn. and reported in last week's issue, had the following on its panel: Front row, left to right, George P. Shoemaker, general agent Provident Mutual; Leon Gilbert Simon, Equitable Society; Lantz L. Mackey, Home Life of New York, Detroit; Halsey D. Josephson, general agent of Mutual Benefit Life; Gordon D. McKinney, actuary of National Assn. of Life Underwriters; James B. Hallett, general counsel of N.A.L.U.; Albert Hirst, counsel of New York State Life Underwriters Assn. Back row, Mrs. Lillian L. Joseph, Home Life of New York, program chairman; Preston B. Schwartz, Guardian, chairman of the association's board of field underwriters; Benjamin D. Salinger, general agent of Mutual Benefit Life, and president of the New York City association.

GUARDIAN'S NEW PREFERRED RISK POLICIES

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- level-premium, limited payment life contracts, containing all the attractive features of Guardian's other policies;
- Guardian's regular choice of liberal settlement options, including the preferential life income option (e.g.—female beneficiary, age 65—\$5.88 per month per \$1000, ten years certain and life);
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- addition of Family Income Agreements for 10, 15 or 20 years, or to age 65.

AND COMBINE LOW PREMIUM

WITH LOW NET COST!

*Minimum amount issued—
either "PR-85" or "PR-70"*

\$10,000

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LIFE INSURANCE COMPANY
OF AMERICA

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H. & A. Men Confer on Compulsory Plans

(CONTINUED FROM PAGE 2)

the big job of insurance company management at this time is to convince employees that management is on their side. This can be done, he said, by teaching employees the principles and practices that must be maintained by any organization to survive against competition and under constant and intelligent public scrutiny. Employees must understand that a concern must make a profit in the accepted sense, even if it is a mutual company, in order to stay in business and provide jobs. Employees can learn to admire and applaud the kind of management that makes better than average profits, provided they are sold on the uses to which these profits are put, the speaker declared.

Even though insurance company management is not yet in the doghouse, it must face up to the problem of changing a puzzled, indifferent or questioning attitude on the part of employees into one of full confidence and support, he stated. This condition exists after 16 years of economic misinformation poured out by government bureaus, labor unions and left-wingers, that have subjected employees to the most grossly subversive

economic, political and social education imaginable, Mr. Kenagy maintained. If insurance company management is able to sell itself to its employees the employees will respond with an increase in productivity.

Mr. Kenagy said that employers who build their employer relations programs on what they themselves think their employees want are likely to discover that they are quite wrong. Recent studies have indicated that money is not what employees want most out of jobs. He said that clearly the top ranking elements in job satisfaction are job security, recognition, credit, praise and identification with company objectives.

HOSPITAL SESSION

Although the hospital insurance meeting Tuesday afternoon was announced by I. A. Weaver, secretary of Secured Casualty and chairman of the hospital committee, as being a review of subjects already considered at previous meetings, several new topics were introduced and the discussion was lively and

interesting. Mr. Weaver has been aggressive as chairman of the group and has kept his committee busy conducting surveys and watching trends of the business.

An analysis of trends and costs in claim experience on allocated and unallocated benefits of hospital policies was given by Mr. Weaver, who has just completed a survey in that field. He reported that more than one-half of the Conference companies pay claims only in the amount charged by hospitals. That is, if the daily room benefit is \$6 and the hospital charges \$5, the company will pay only \$5.

In a study of 300 representative claims in 1948 (excluding maternity and outpatients), Mr. Weaver stated there is only a small saving if a company pays \$4 maximum instead of \$4 straight to the insured, it being 1.67%. For benefits of \$6 and \$8 per day, the companies would save 5.33% and 15.53% by paying only what the hospital charges.

Savings in Miscellaneous Items

The cost per claim at \$8 per day averages out at \$51.30 on a straight indemnity basis and \$51.16 on a hospital charge basis. Taking miscellaneous hospital provisions, ambulances, dressings, laboratory, operating room, etc., on an allocated policy and comparing that with blanket payments of \$20, \$30, and \$40, Mr. Weaver said that here again the actual charge payment (under the blanket policy) brings only a minute saving. Also, the blanket type policy more often pays the claim in full.

He pointed out that the allocated miscellaneous provisions can build up a better sales presentation, since the possible total can be \$100 or more, but the blanket provision may offer more to the policyholder. It was suggested from the audience that the allocated provision helps to keep hospitals in line. When specific benefits are raised, companies have found that claims tend to rise proportionately.

Increased costs for hospital care were taken up by C. E. Waller, president of Professional. Mr. Waller, after reviewing some of the cost increases hospitals have made in the past few years, posed some questions to his audience that outline graphically the problems of hospital writers today. Pointing out that a \$5 per day policy was adequate in 1937, it is now not even half enough. Mr. Waller asked:

Inflated Hospital Costs

—Is there an inflated hospital cost now? Will it continue? Can or should the companies attempt to cover it?

—What will happen when and if there is a deflation?

—If the companies do not issue policies to cover costs today, what about the policyholders—will they demand government action, or will they turn to Blue Cross?

The following discussion brought out that higher hospital costs have in many areas forced Blue Cross to have subscribers pay a part of the hospital bill.

D. R. Holder, assistant secretary Woodmen Accident, was in charge of the section on over-age hospital risks. He remarked that the aged population is greatly on the increase and there is a considerable demand from this group for hospital insurance.

Underwriting practices on older risks is not unfavorable, the discussion revealed. Some companies charge a 50% higher premium at age 60 or above, but most reduce benefits. One of the over-age writers finds that surgery is a good feature for the companies, the only operation bringing sizable claims being cataracts. Heart and cancer are not serious problems.

Uniform claim blanks for both doctors and hospitals have been prepared and are approved by the Conference and the hospitals and doctors. Martin H. Imm, president of St. Paul Hospital & Casualty, reported. The hospital blank has been approved by American Hospital Assn. and National Assn. of Insurance Commissioners.

B. B. Combs, claims manager for Central States Health & Accident, stated

that a uniform assignment blank has not yet been completed. He said an approved blank will be ready for the annual meeting in May.

A report on an over-all hospital admission program was given by Bill Howland, Conference statistician. Work in this field is being conducted by Health Insurance Council, and that group has had several meetings with representatives of American Hospital Assn. Mr. Howland said the hospitals are showing a cooperative spirit.

The Chicago hospital admission plan for group A. & H., which has been in effect for one month, is working well, he said. There are 44 companies participating and 2,700 groups registered.

Jarvis Farley, Massachusetts Indemnity, chairman of the Conference standard provisions committee, explained the work of the joint industry standard provisions committee and the standard provisions sub-committee of the N.A.I.C. A. & H. committee, to open the Tuesday morning session on federal and state regulation.

Discussions centered around the changes made by the A. & H. committee at the December meeting of the commissioners.

C. C. Fraizer, general counsel for the Conference, in his report declared the statement of principles of the A. & H. industry committee has attracted attention in insurance circles far removed from the A. & H. business itself.



The South's Oldest Life Insurance Company offers up-to-the-minute facilities and stability second to none in writing and servicing

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with waiver-of-premium
disability
and double indemnity

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all forms of

Group Insurance
including Life, Accident,
Health and Hospitalization

**Group Pension
Plans**
on as few as ten lives.

**LIFE
Insurance Company
of
VIRGINIA**

Established 1871
Richmond, Va.
Robert E. Henley, President



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PAUL L. CHELGREN, CL.U.
General Agent, Central Minnesota

MUTUAL TRUST LIFE'S new contract is designed to directly compensate a general agent for his successful efforts in performance of each of his duties. He is thus able to establish and carry out a definite plan of operation, knowing that his income will be geared to results.

A few general agency openings available.

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MUTUAL TRUST
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OBSERVATIONS

Keen Interest in Chicago Plan

Hospitalization insurers all over the country will be watching with interest the success of the Chicago hospital admission plan which is about to be launched to provide the same facility of hospital admission to members of insured groups which subscribers to the Blue Cross now have. Although the plan represents a simplification of anything along this line that has been done before, it is so vast in scope as to make it productive of difficulties. It requires continuing and delicate cooperation between the insurance companies and the hospitals, including additional burdens of clerical work upon the hospital staff in particular and also upon insurance companies and employers. Should any one of these three important factors fail to live up to the requirements, the plan could be seriously weakened. There is nobody at Chicago, including those in the industry, responsible for successful completion of the plan, who pretend that it is completely free of "bugs." What is planned is to observe its workings for a six-month period, iron out the small kinks which are bound to arise, and then instigate a concerted drive by group hospitalization insurers all over the country for similar arrangements. Of course, the insurers hope to extend such admission facilities to individual insured, but it is on the group business that the keen hospital admission advantages heretofore possessed by the Blue Cross have been felt.

The insurance industry expects further aid from the Knight newspaper chain in pushing further extensions of Chicago-type plans. A member of this chain, the "Chicago Daily News" provided the impetus for its realization in Chicago and the Knight newspaper in Detroit may be the next to cooperate in applying some gentle nudges to the hospitals there and in giving the plan the same favorable newspaper break which it had in Chicago.

Underlying Attitudes Important

In analyzing why some of their new men have done well while others, seemingly no better, have quit, some managers have noted that the man's underlying attitude toward his place in society—with a lower-case "s"—seems to be rather significant, for it also tends to be the attitude of the people he associates with. For example, if he and the folks he runs with think social insurance is wonderful and are in favor of having the government take over more and more functions like medical service and hospital care this attitude seems to be a tip-off to a basic outlook that doesn't go well with selling life insurance, even though the man may score well in all other respects.

On the other hand, if a new agent is used to associating with people who are independent in their thinking and want to cut their own paths and he is cut pretty much along that pattern himself, the indications are far better for his success as an agent.

What is deceptive about these men, both as new agents and potential recruits, is that in outward appearance and actions and manner of living they are all very much alike, living in comfortable homes and driving good cars. In fact, in a good many cases the man who has the less ruggedly individualistic outlook needs only a few years of seasoning to open his eyes to the fact that there are evils as well as benefits in letting the government increasingly absorb functions customarily handled by individuals independently.

One clew to the attitude of this type of man is his feeling about adding to his own life insurance. If he is inclined to think unrealistically in terms of lump sum rather than income, he is likely to be lacking in what might be called financial maturity.

Insurance Looks Sweeter to Union

Labor unions are realizing that the falling cost of living coupled with increasing buyer resistance and the ending of goods scarcity, make further wage demands ill-timed. This appears to be the dawn of an era of union concentration upon insurance benefits to a greater extent than ever before. More than 300,000 auto and electrical workers at General Motors stand to take a two to three cent an hour pay cut on the basis of a contract geared to the government's declining cost of living index. The CIO Amalgamated Clothing Workers have decided against a fourth round of post-war pay boost drive because of the slack in demand for men's apparel. There is strong evidence that the living cost drop is steeper than shown by the government barometer for it takes two months to complete the statistical formula. United Auto Workers has shifted emphasis from wages to pensions in fourth round sparring. All of these signs can spell business for insurance producers and companies.

Wash. UCD Bill Greatly Restricts Private Plans

With powerful labor support, the expected unemployment compensation disability bill has been introduced in both houses of the Washington legislature. It may develop into the fiercest contest of the entire session.

A tax of $\frac{1}{4}\%$ up to the first \$3,000 of annual wage would be paid by the employer and the employee would contribute $\frac{3}{4}\%$ on the first \$3,000. The employer is permitted to pay all or part of the employee's tax, if he wishes. Maximum benefits would be \$25 for 26 weeks.

Unlike California UCD law, private carriers would be permitted to qualify plans without granting greater benefits than the state fund. However, the employer using a private carrier plan would be obliged to pay .02 of 1% of his payroll (up to the \$3,000 annual maximum per employee) to the state fund to defray administration costs. This is the equivalent of paying the premium tax and, of course, the private carrier would be obliged also to pay the 2% premium tax on its writings. Opponents of the bill point out that these handicaps, plus the added cost of private carrier operation, would virtually rule out competition from private carriers.

Merit rating is provided, but there is no provision for increasing rates above the 1% premium indicated in the law.

Washington Assn. of Life Underwriters and Washington Assn. of Insurance Agents are on record in opposition to the bill. It is felt that while the bill is optional it is in fact virtually a state monopoly measure because of the many restrictions imposed upon private plans.

Probe Licensing of Agents

TORONTO—Assn. of Superintendents of Insurance of Canada is working on the question of licensing and regulating agents. A committee of the association with Georges Lafrance of Quebec as chairman is considering several proposals.

One is to confer with representatives of life companies with a view to determine the number of licenses issued to life agents and to ascertain methods of calculating persistency rates.

Medical Problems Discussed

Medical problems of interest to the life agents were discussed by Dr. Gambert Tegtmeyer, associate medical director of Northwestern Mutual Life, at a luncheon meeting of the Milwaukee C.L.U. chapter.

DAVID...



was a little man whose protection was in his sling; with it he was able to overcome the giant Goliath. It was his "equalizer" and made up for what he lacked in size.

Nowadays the "little" man, the young man just starting out, finds it difficult to build an estate to protect his family. He too needs an "equalizer" during those early, low-earning years.

That's the function of the Modified Life 5. During the first five years the premium is only one-half the subsequent rate—at age 30 only \$65.10 annually per \$5,000 face amount for the first five years, \$130.20 thereafter.

Prudential representatives, Brokers and their clients know that the Modified 5 is the young man's "equalizer."



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INSURANCE COMPANY OF AMERICA**

a mutual life insurance company

WESTERN HOME OFFICE, LOS ANGELES, CALIF.

EDITORIAL COMMENT

Mr. Call's Reply to Mr. Parkinson

The answer which President Asa V. Call of Pacific Mutual Life, in his capacity of president of the Life Insurance Assn. of America, has made to President Thomas I. Parkinson is an encouraging development. We say this not because we feel it settles the argument between Mr. Parkinson and the L.I.A. directors over the anti-bond-peging resolution which Mr. Parkinson offered to the directors last December and which they unanimously rejected. Rather it is encouraging because it indicates a willingness to pitch in and take a more active interest in inflation and its threat to policyholders than might be inferred from the L.I.A.'s one-sentence announcement of its rejection of the Parkinson resolution.

That announcement seemed to say—though technically it didn't—that the directors were rejecting the resolution because it criticised the government's monetary policy. It lent itself to being construed as saying that avoiding criticism of federal fiscal policy was more important than what inflation might do to policyholders and beneficiaries in diluting their funds.

Says Mr. Call in his letter: "The fact that the board . . . does not agree with the statements in your resolution is not fairly nor properly a basis for a charge of dull complacency or lack of interest in inflation and its threat to the policyholders and other savings investors. That is the implication of your advertisement. I am sure that no member of the board yields to you on the matter of his vital interest in the protection of the interests of policyholders."

Mr. Call's final sentence reads: "Its [the resolution's] rejection was in no sense an abandonment by life insurance executives of their interest in the welfare of their policyholders."

If Mr. Call's letter and these quotations in particular presage an aggres-

sive, thoroughgoing, well-informed and fearless program of investigating and attempting to find a solution for the basic causes of inflation that is indeed an encouraging development. In no better way could life insurance executives demonstrate their interest in the welfare of their policyholders and blast the "charge of dull complacency."

Life insurance can proudly guarantee that the number of dollars it promises to deliver on the happening of specified occurrences will be forthcoming as per contract. But what about the purchasing power of those dollars—which after all is the important thing, unless you are planning to paper a room with them?

If some hare-brained politician were to propose a 50% tax on all life insurance proceeds the life insurance executives would unquestionably mobilize rapidly and effectively. But in terms of purchasing power a 50% tax is about what inflation has accomplished in the last decade. In fact, what has actually happened is even worse, for the purchasing power of other dollars received by most beneficiaries has been similarly cut without being correspondingly increased in amount.

The stability of life insurance proceeds is of vital concern to policyholders and their beneficiaries. It is entirely fitting that the life insurance industry should throw the combined weight of its research potential and its standing as the unbiased protector of its customers and their dependents into the task of maintaining the stability of the dollar that it pays out.

Perhaps this may involve criticism of the government—whether the administration might happen to be Republican or Democratic—but surely there should be no thought of lèse majesté where the welfare of policyholders and beneficiaries is concerned.

lower the prestige of the occupation and give it a bad name. Requires super salesmanship which few people have. Poor pay; there are much better selling jobs requiring selling direct to industrial and commercial establishments. The market is a cut-throat market and it is unsteady and will soon break. Companies indiscriminately hire too many agents, making it difficult for the career agent to make a decent living. Field is overcrowded. Don't like to put up a false front, don't like to entertain constantly, don't like to cater to customers.

"Want to speak my own mind. Don't believe in insurance myself and don't believe in selling something I don't believe in. Insurance is not productive; it is not an essential service. Like selling tangible, don't like personal selling. In depressions everyone who can't find work sells life insurance; this lowers prestige of the job and makes competition unfair. The field is full of failures at other jobs, and glorified flops. Field is too static; not growing. Salesmen don't need a college education, don't want to waste mine. Hours are much too irregular; too much night work; time never your own; want to quit work at 5 p.m.; don't like working while others have leisure; not enough free time; too much time wasted waiting.

"Lack patience and despise the high pressure methods essential to the sale of life insurance. Life insurance men are disliked; have pest complex, insurance men are resented, I hate insurance and insurance men; friends feel like they are obligated to buy from you. Percentage of sales to calls is too low. Insurance selling is a pavement pounding job,

don't like door to door canvassing. Too easy to get into, so the job has no prestige. Every Tom, Dick and Harry sells insurance. Selling insurance is repulsive; I went to college so that I will not have to do repulsive work. I like selling but not insurance, it is the least desirable type of selling. Insurance companies defraud clients by enforcing clauses and fine print which restrict coverage. I would not like to deal with clients who feel that they have been cheated out of a claim which rightfully should have been paid."

Now granted that a certain percentage of these youths with the savage answers are lazy, callow, flip, pink, green, but are these adjectives more applicable to Illinois students than those of Princeton and California? The actuarial chances are pretty good that among commerce students at a university today are some of the potential business leaders as well as the anti-business leaders of tomorrow. Casting aside those parts of the comment which reflect the bias of the students who wrote them, can we recognize some truths or half truths?

Even if we can honestly brand all these student impressions of our business as false, is it not shocking that they should exist, is it not a poor commentary upon our public and student relations?

Perhaps it is true that life insurance enjoys greater public esteem than ever before held and is viewed by the public more favorably than many other enterprises. But here are the dissenting voices of young people, each one a prospective policyholder, to tell us that we still have a way to go in promoting esteem for insurance and its practitioners.

PERSONAL SIDE OF THE BUSINESS

Walter T. Grosscup, chairman of the new business committee of Girard Life and a director, who has been ill most of the time since addressing the company's agency convention in November, now is convalescing satisfactorily.

When **J. Walter Smith** of Houston led State Life of Indiana in production for December he was following in the footsteps of his mother, Mrs. Bertha E. Watts, who was the leader for October, 1929. Mrs. Watts, the former Mrs. C. B. Smith, took over her husband's rate-book following his death in 1926, quickly becoming one of the company's top producers.

Isadore Samuels, general agent for New England Mutual Life, has been named the outstanding member of the year by Denver Community Chest. He started working for the chest in 1924. In 1928 he was general campaign chairman and in nine campaigns since then has served either as chairman or vice-chairman of drives that produced \$6,800,000. He is currently a vice-president of the chest.

R. A. Adams, general counsel for

American United, is recuperating in a New York City hospital where he has been since having been taken ill at a meeting in mid-December.

T. Benson Leavitt, assistant actuary for American United, is the father of a girl, born Jan. 26. This is the Leavitts' second child.

R. B. Caplinger, vice-president and chief underwriter of Reserve Loan Life, will address the Young Men's Business Club of New Orleans Feb. 9 on "Modern Trends in Socialized Medicine."

James H. Kohlerman, educational director of Life Office Management Assn., was the speaker at a dinner meeting of the New York State Industrial Training Council at Endicott, N. Y.

John A. Bruhn, general agent Continental Assurance, Indianapolis, who recently underwent thyroid surgery at the Mayo clinic, is back at work, recovered.

Peter M. Fraser, president of Connecticut Mutual, and **Morgan B. Brainard**, president of Aetna Life, have been named to the American Heart Assn.'s

"Selling Insurance Is Repulsive"

Recently University of Illinois insurance instructors conducted a survey among 236 commerce students whose education provided them a good background for careers in life insurance selling. Of this number, there were 22 who expressed an interest in life sales. This might seem like a pretty good average. However, there were 116 students who not only were not interested but who displayed various degrees of antipathy toward being life insurance agents and

toward the whole life insurance system. They expressed this in comments scrawled across their questionnaires. Their words often sting, but if your blood pressure is normal they are worth reading. Here some of them are:

"Selling insurance is dull, uninteresting, mechanical, stereotyped. Want a decent salary, not an uncertain commission. The job is too insecure and uncertain. Poor future—unsettled life. Too many part-time agents and uninformed agents who

have no knowledge of insurance."

THE NATIONAL UNDERWRITER

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February 4, 1949

national sponsors committee. For the Hartford heart campaign Feb. 14-28 Mr. Fraser is head of the advisory committee and Mr. Brainard is chairman of the sponsors committee. **Morgan B. Brainard, Jr.**, vice-president of Aetna Life, has been elected a director of Horace Bushnell Memorial Hall.

Dr. R. I. Mehr, University of Illinois, is on a west coast trip on which he will speak before association groups at Seattle and San Francisco.

General Agent **Maynard E. Keiser** of John Hancock has been elected president of the Springfield, Mass., Boys' Club.

Walter L. Cary of John Hancock has been elected president of the El Dorado, Kan., board of education.

District Manager **C. James Matullo** of John Hancock is chairman of the life insurance division of the Staten Island, N. Y., community chest campaign.

Cedric J. Scheidlemann, John Hancock, Flushing, N. Y., has been awarded the Navy Cross "for extraordinary heroism" on Iwo Jima.

Harry W. Jones, vice-president of Mutual Benefit Life, has been elected a director of National Newark & Essex Bank.

Tom Nickell, editor of "Pulse," agency journal of Occidental Life and in charge of publicity, has been elected secretary of the Compass Club of Los Angeles, composed of public relations and publicity men.

Winslow F. Smith, Equitable Society, Salt Lake City, was given a testimonial dinner by business and civic leaders to mark his 25th anniversary with Equitable Society.

T. Max Davis, general agent for Ohio National Life at Houston, has been elected a director of the Knife and Fork Club.

DEATHS

J. Byron Martin, retired general agent for Union Central at Nashville, died at 75. Mr. Martin started with Union Central in Nashville in 1896 under his father who was general agent until his death in 1911. He then succeeded his father. Mr. Martin retired in 1941, but continued as a personal producer.

Napoleon E. Yougas, 81, who had served New England Mutual Life for 48 years, part of the time as general agent at Boston, died at his home in Orleans, Mass., of a heart condition. He recently retired from the Boston-Hays agency at Boston. In 1912 and 1914

he led the company in sales and had the second largest volume in 1908.

Mrs. Arnold Berg, wife of the assistant superintendent of agencies of Equitable Life of Des Moines, died there following an illness of four months.

Dewey W. Merselis, 70, superintendent at Utica of Prudential from 1926 until 1942, died there after a long illness. He was with Prudential 43 years.

Oliver R. Beckwith, 72, counsel for the Aetna Life group, died in the Hartford Hospital after a short illness. His first experience was in casualty insurance but later he dealt with life insurance matters. Before joining Aetna in 1910 he was with Travelers. He was president of London & Lancashire Indemnity from 1926 to 1928, when he returned to Aetna as counsel.

Irving Davis, recently with "National Insurance Producer" in New York and previously secretary of Risk Research Institute, has joined the "Spectator" as associate editor. Mr. Davis at one time was in the public relations department of Guardian Life.

100, Gets Proceeds



Mrs. Anna M. Weber, Burlington, Iowa, centenarian, is shown receiving from E. H. Mulock (right), president of Central Life of Iowa, a check for \$3,000, face amount of a policy applied for 51 years ago. At left is Lee T. Sloane, general agent at Burlington. The policy, originally issued by Bankers & Merchants Life Assn., was assumed by Central Life under the reinsurance contract with the receiver of Illinois Life and was valued on a mortality table with a termination age of 100 years. The full lien interest having been paid, the face amount was due the policyholder on the anniversary date of the policy nearest her 100th birthday. She was born July 22, 1848.

FOR 1949

AGENCY EXPANSION PROGRAM IN ILLINOIS AND IOWA

Our General Agents' Contracts include:

1. Office allowance
2. Top first year commissions
3. High renewals and service fees
4. Financing plan for new agents
5. Prospecting plan that clicks
6. Excellent training and effective selling tools

For details write to:

RANDALL G. YEAGER, Supt. of Agencies

The LAFAYETTE LIFE INSURANCE COMPANY
Lafayette Life Building
LAFAYETTE, INDIANA

Congratulations To Our Field Force...

. . . Upon a job well done in 1948, when the steady growth and progress of the Company was maintained, and the Two Billion Dollar mark was passed on Life Insurance in force.

. . . Upon having given to that portion of the insuring public whom they serve, an able type of life insurance stewardship.

. . . Upon the diligence and the sincerity with which our Shield Men are going about the accomplishment of the career offered them by this Company.

The
**NATIONAL LIFE
AND ACCIDENT
Insurance Company, Inc.**

HOME OFFICE
NASHVILLE TENNESSEE
NATIONAL BLDG.



AMONG COMPANY MEN

Mass. Mutual Promotes Five

Massachusetts Mutual has promoted Dr. Howard B. Brown, who has been associate medical director, to medical director, succeeding Dr. Morton Snow, retired; Walter C. Sullivan from assistant counsel to associate counsel; Michael Marchese from assistant secretary to underwriting secretary; Lawrence H. Shoughrue from agency assistant and Horace A. Quimby from manager agency record department to assistant agency secretaries.

Dr. Brown became assistant medical director in 1931 and was made associate medical director in 1941. A graduate



DR. H. B. BROWN



MICHAEL MARCHESI



W. C. SULLIVAN

of Dartmouth and a Phi Beta Kappa, he received his M.D. degree from University of Pennsylvania. He was a general practitioner in Springfield, Mass., from 1926 to 1931.

Mr. Sullivan joined the company in 1919. In 1925 he transferred to the law



H. A. QUIMBY



L. H. SHOUGHRE

department and was appointed an attorney in 1931. He became assistant counsel in 1943. He received his LL.B. from Northeastern University law school in 1928.

Mr. Marchese entered Massachusetts Mutual's actuarial department in 1913. He was appointed manager of the underwriting department in 1933 and assistant secretary in 1937. He is a veteran of the first world war.

Mr. Shoughrue attended Syracuse University, joined the company in 1924 and became agency auditor in 1934. He was appointed agency assistant in 1940.

Mr. Quimby joined the company in 1917 and in 1923 was made manager of the agency record department. He attended Harvard and was a member of its 1916 varsity crew.

Hall Manages Field Service

Stewart L. Hall has been appointed manager of ordinary field services for Prudential's western home office. He has been with the company since August. Mr. Hall had been 10 years in office management with Mutual Life and Mutual Benefit Life and three years in actuarial work.

Dawson Mutual's Executive V.-P.

Louis W. Dawson, vice-president and general counsel, has been elected executive vice-president of Mutual Life.

The position had been held previously by the late Alexander E. Patterson, but was not filled when Mr. Patterson became president. In his new capacity, Mr. Dawson will continue to serve also as general counsel and head of the law department.

Mr. Dawson joined Mutual's law department in 1928 became assistant general counsel in 1936 and vice-president and general counsel in 1938. He has been a trustee since 1941.

Mr. Dawson, who is 52, received his LL.B. degree in 1919 from Cornell, after wartime naval service. He joined the New York law firm of Powell, Wynne & Roberts, becoming a partner in 1926.

Mr. Dawson is chairman of the joint legislative committee of the American Life Convention and the Life Insurance Assn. of America.



L. W. DAWSON

Karl Gumm Advanced by National Life of Vermont

Karl G. Gumm, who has been assistant superintendent of agencies for many years, has been elected superintendent of agencies of National Life of Vermont, filling a position formerly held by Vice-president D. Bobb Slattery.

Norman Smyth, agency assistant who has been in charge of direct mail advertising, and J. Edward Deutsch, director of agents' training, were selected assistant superintendents of agencies. Adam E. Littig of Bettendorf, Ia., who has been assistant superintendent of agencies in the west, was given a slightly changed title, regional superintendent of agencies. E. Reginald Murray was elected agency secretary.

Five Others Advanced

Arthur Kerin was appointed to assistant director of selection; Donald E. McLean to assistant director of selection; Elmer C. Warren to director of personnel; Homer Miles to superintendent of policy loans; A. E. Lucey to associate director of publicity.

Mr. Slattery was elected chairman of the committee on insurance, succeeding E. D. Field, retired.

Vice-president Herbert R. Pierce was elected to the executive committee and H. H. Jackson, vice-president and actuary, was elected to the committee on finance.

Life of Va. Ups Albright

George F. Albright has been named manager of agency training, weekly premium division of Life of Virginia. He succeeds Edward H. Thompson, who resigned to become vice-president and agency director of Virginia Life & Casualty.

Graduated from Davidson College, Mr. Albright joined the company as an agent in Charlotte, N. C., in 1939. He was promoted to assistant manager and later agency training supervisor. He was a wartime army officer.

Westra Assistant Director of Agencies of N. A. L. & C.

J. D. Westra, who has been in charge of the educational program of North American Life & Casualty since 1944, has been appointed assistant director of agencies.

Before becoming educational director, Mr. Westra had been for several years manager of North American L. & C., at Madison, Wis., and established a school there for the company's agents, covering both life and accident and health insurance.

He was a teacher for several years before entering insurance work, in which he was very successful, both as a producer and manager, and therefore was well qualified in both directions to take charge of the company's educational work.

Security L. & T. Advances Five High Officers

Security Life & Trust has advanced Egbert L. Davis, who has been president since 1934, to chairman and treasurer. Tully D. Blair becomes president, W. Grady Southern, executive vice-pres-

ident, and Robert G. Blair, agency director.

Mr. Blair has been vice-president and agency manager since 1932. An alumnus of University of North Carolina, he was with Pilot Life 18 years, becoming agency manager in 1925.

Mr. Southern is a graduate of Furman University. He has been in charge of the group and building and loan insurance departments since joining the organization in 1933. He was made a vice-president in 1935.

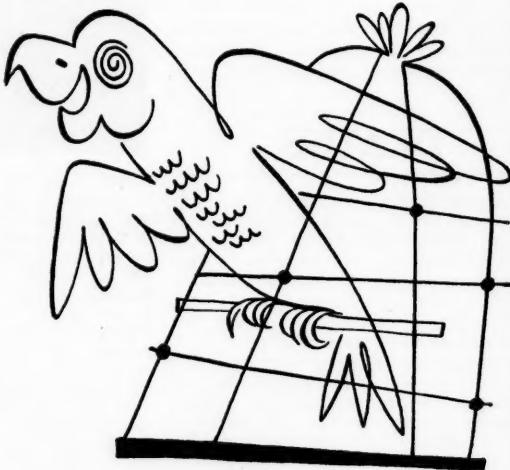
Mr. Blair has been agency superintendent. He began his business career with Jefferson Standard in 1928.

S. L. Boone, former secretary and actuary, was elected vice-president and actuary. He has been with Security since 1929 following four years' experience with the Canadian insurance department and three years as assistant actuary with Pilot Life. He is a fellow of both actuarial bodies.

Hollister V. Schenck, investment vice-president of Life of Virginia, has been elected a director.

Felix G. Miller, President of Miller Bros. Co., Chattanooga, has been elected a director of Provident Life & Accident.

Has more to talk about...



R_ESERVE LOAN LIFE POLICIES DO, TOO!

You have more talking points with Reserve Loan Life policies — because you have *more to sell*. You are not limited to any one "specialty"...you specialize in them all.

With a complete line of proven, practical life policies plus a full line of liberal accident, health and hospital plans for the individual, family or group, Reserve Loan offers a much wider field for sales, a much greater opportunity for sizeable earnings.

RESERVE LOAN LIFE Insurance Company of Texas

A REGISTERED POLICY COMPANY

ESTABLISHED 1897

DALLAS, TEXAS

LIFE, ACCIDENT, HEALTH AND HOSPITALIZATION FOR THE INDIVIDUAL, FAMILY OR GROUP

February 4, 1949

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LIFE AGENCY CHANGES

J. O. Cummins to Toledo for Equitable of Iowa

Equitable Life of Iowa has appointed J. O. Cummins general agent at Toledo. Except for naval service he has been 14



J. O. Cummins



W. W. Canner

years with Equitable, most recently as regional agent of the Davenport agency heading a production unit. He is an alumnus of Iowa State Teachers College.

Walter W. Canner has been elected president of the Hoey & Ellison Life agency, New York City general agency of Equitable. His appointment as life manager of the agency was reported in the Jan. 21 issue.

Hagoort, Lang Promoted

Nicholas Hagoort, assistant manager in Prudential district 3 at Newark, has been promoted to manager there. He succeeds Alfred D. Rosner who has become a regional manager. Mr. Hagoort joined Prudential in 1929 at Newark. He became assistant manager there in 1931.

Prudential has promoted James H. Lang to district manager at Wheeling, W. Va. He has been with the company since 1934 and an assistant manager in Cleveland for 11 years. He replaces John J. Krejci who has been transferred as manager to district 3 at Columbus, O., to replace Howard H. Stenzel, resigned.

Hermon C. Dilmore, district manager in Somerville, Mass., has been transferred as manager to Glens Falls to replace Alexander N. Fahrenkopi who has retired after 50 years with Prudential.

Promote Pair in Michigan

Phillip P. Shelton has been appointed manager of Metropolitan Life at Sault Ste. Marie, Mich. He has been general assistant manager in the Great Lakes territory since 1945. Mr. Shelton joined Metropolitan in 1933 in Belle Isle, Mich., and three years later was promoted to assistant manager.

Bert Vande Vusse has been appointed manager of Metropolitan at Mt. Clemens, Mich. He has been field supervisor in the Great Lakes territory. Mr. Vande Vusse went with Metropolitan in 1934 in Grand Rapids, and was promoted to an assistant manager in Kalamazoo. In 1946, he joined the field training division.

Kibbie Mich. Director

George W. Kibbie has been named director for the State Farm companies in Michigan. He has been assistant state director in Iowa. The Michigan setup is being revamped since the Farm Bureau in that state is starting its own auto insurer and the relations between the Farm Bureau and State Farm are severed.

To Disband Duff Agency

As a result of the death of William M. Duff, general agent in Pittsburgh for Equitable Society, his agency will be discontinued. Its 14 agents have been offered positions elsewhere with Equitable.

Pacific Mutual Appoints Ellis, R. E. Watts to Posts

Pacific Mutual has appointed Norman A. Ellis general agent at Omaha. He is a veteran producer for Pacific Mutual.

Robert E. Watts, general agent at Kansas City, has been transferred to Dallas as general agent. Mr. Watts joined the company 18 years ago with his father, who is still general agent at Chicago. He became assistant general agent four years later and took the Kansas City post in 1940.

Trice in Richmond Post

Continental American has appointed F. Winfield Trice manager of its new Richmond agency at 207 Law building. He attended University of Maryland and the University of Baltimore law school, started in life insurance in 1941 in Baltimore with Home Life of New York, and after leaving the air forces as a captain, he joined Continental American as agency assistant in 1947. E. D. Turner, Jr., who has been with the company in Richmond since 1932, will continue to represent it.

Shoemaker Elmira G. A.

M. Holmes Shoemaker has been appointed Elmira general agent of the Security Mutual of Binghamton, Long a resident of Elmira, Mr. Shoemaker was for many years production manager for the Frostilla in Elmira. He is still its secretary. He is a graduate of Lafayette College and has served as an officer in both world wars.

To Mass. Mutual

Massachusetts Mutual Life has appointed Peter McLane as general agent at Manchester, N. H. Mr. McLane joined National Life of Vermont as an agent there in 1939 and returned to it as an agent at Franconia, N. H., on leaving the navy as a lieutenant-commander in 1946. He is a Dartmouth graduate and did graduate work in geology at M.I.T. In 1937-38 he was with U. S. Smelting, Refining & Mining Co. at Bingham Canyon, Utah.



Peter McLane

Scranton Unit on Own

The Prudential branch at Scranton of the Harrisburg agency has been given independent status. Henry F. Tyndall has been named manager.

He joined Prudential in 1929 as a group representative and was assistant manager at Wheeling, W. Va., Pittsburgh and Newark before becoming a home office regional manager in 1946.

Curry Joins Illinois Bankers

Curtis Curry, Abilene, Tex., has resigned as manager of Western Reserve Life and is now manager there for Illinois Bankers Life.

Heads Little Rock CLU

Myron Dean, American United, was elected president of the Little Rock, C.L.U. Robert Lowery, National Equity was reelected secretary-treasurer. John P. Williams, educational director of the American College, led a discussion on C.L.U. activities. Thomas Williams, Aetna Life, and Van Weatherby, Mutual Life, were elected to attend the regional conference of the American College in Dallas April 1-2.

Shenandoah Life has declared a dividend of 10%, amounting to \$50,000.

LEADS

Plus

HIGH COMMISSIONS TOP-VALUE POLICIES SUBSTANTIAL COOPERATION

Sterling's simple formula spells SURE SUCCESS—with FAST START! FREE LEADS BY THE THOUSANDS—proved money-makers—now breaking sales records both for applications and premium dollar volume. (Our newest general agent produced 1,000 apps in first three months on these leads alone and soon will hit the 1,000 per month mark!)

Our high commission schedule treats all premiums paid during first year as first year business—pays liberal renewals on vested basis. Substantial over-write for general agents leaves good margin after paying writing agents top commissions—both first year and renewal.

Complete line of modern, streamlined policies SECOND TO NONE in coverage and value. All standard forms of life insurance, plus coupon and unusually low rate preferred risk whole life—A & H includes unbeatable lifetime coverage value—full

line of hospitalization, including sensational new Silver Seal Plan for Medical, Surgical and Hospital Care. Individual, family group and franchise plans available.

Home-office cooperation is quick and generous—aimed at building fast and big. We know what is needed—and we do it!

We believe, and even competitors admit, that A STERLING GENERAL AGENCY FRANCHISE IS THE MOST VALUABLE IN THE INSURANCE BUSINESS. It is an opportunity unparalleled! Choice territory is now open for top men who can qualify as general agents. If you are experienced, aggressive, and a good organizer—your Sterling success is assured. YOU CAN'T MISS! Get the full money-making story. Write TODAY to L. A. Breskin, President, Sterling Insurance Co., Sterling Building, Chicago 11, Illinois.



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NEWS OF LIFE ASSOCIATIONS

Live Sales Ideas at Okla. Congress

OKLAHOMA CITY—The program for the sales congress of Oklahoma Assn. of Life Underwriters featured both successful young producers and experienced insurance executives. In a panel on life insurance marketing school methods, C. E. Gaines, agency director of Great National Life, was assisted by three graduates of the S.M.U. school who have made outstanding records. James Lowry, General American, Kansas City, has found a strong appeal to a prospect in the fact that through his business a man expresses his desire for a "little bit of immortality." He does not want his

business to die with him but it will, if not properly protected from the shrinkage of values brought about by death.

Richard O. Trent, of Oklahoma City, who wrote \$190,000 on a part-time contract for Massachusetts Mutual in his last year at college, and paid for \$446,000 his first full year, keeps his desires for his family listed on a card which he carries. He first presents this program and then fits it into that of his prospect. When it is difficult to obtain a first interview, he sends a phonograph record which carries a clever interest-arousing message. He finds it very effective in selling a simple, programming interview.

C. H. Killen, New York Life, San Antonio, who paid for \$2,193,114 in 1948 in a city where he was an entire stranger, gave several demonstrations, with Mr. Gaines representing a difficult prospect.

He begins his presentation with "I have an idea" then starts a simple, well organized sales talk. He advocates selling on the savings appeal, contending that life insurance is the only successful means of saving money successfully. His daily goal is \$10,000 and he usually does not quit until this is accomplished.

Chester O. Fischer, vice-president of Massachusetts Mutual Life, in discussing "Lessons Not Learned from Books," said an essential for successful production is to have the service motive and to have knowledge that includes lessons learned by experience and not from books alone.

Let the Buyer Beware

Interpreting the old catchword, "Let the Buyer Beware," Noel L. Welsh, manager at Tulsa of Metropolitan Life, cautioned: "Let the buyer beware of what his problems are and what life insurance will do." The average prospect dies without knowing this and it is up to the agent to help him from the buyer's standpoint, recognizing the nature of the problem, and helping him solve it.

A comprehensive discussion of Oklahoma community property problems was given by Harry S. Redeker, general counsel of Fidelity Mutual. Newman E. Long, State Mutual Life, Dallas, took up procedures on estate planning and business insurance cases.

There Is a Reason...

Why the Wisconsin National Life field underwriter is successful in his chosen career —

He is fully equipped to cover the insurance needs of the buying public.

- A complete line of Life, Endowment and Term plans
- Accident and Health
- Hospital and Surgical Expense
- Juvenile with Premium Payor Disability
- Non-medical
- Sub-standard insurance
- Insurance on Women
- Retirement Income
- Mortgage Redemption
- Paymaster Plan
- Single Premium
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We have splendid openings for underwriters in Wisconsin—Michigan—Minnesota—Illinois—Indiana.

Write the Agency Department of

WISCONSIN NATIONAL LIFE INSURANCE COMPANY

Oshkosh, Wisconsin

Established 1908

R. P. Beardman, President

Los Angeles Association Honors Agency Leaders

LOS ANGELES—Honor was paid to 46 leaders of 30 Los Angeles agencies and eight members of Women's Quarter Million Dollar Round Table at a dinner given by Life Underwriters Assn. of Los Angeles. Dr. Floyd F. Burtchett of U.C.L.A. and Martin I. Scott, president of American Society of C.L.U., were the principal speakers.

Gerald W. Page, association president, presented their certificates of

membership in the Round Table to the women. He announced that the paid-up membership is 731, a new high for this time of year.

Mr. Scott in his talk on the "Responsibility That Goes with Leadership," said the companies are getting away from the commercial concept of life insurance, and that the individual producer must also get away from that concept if he would do his best work. He declared that in the future the basis for leadership must not be the volume of business and lives insured, but how well the individual does his job.

3-City 'Gator Sales Rally Draws Many Agents

The "Gator" sales congress sponsored by Florida Life Underwriters Assn. at Jacksonville, Tampa and Pensacola drew a total attendance of many hundreds.

Speakers were Alvin T. Haley, Massachusetts Mutual, Greensboro, N. C., who stressed the importance of self-supervision; Frank L. McFarlane, Northwestern Mutual, Cleveland, who talked on ways of developing clients; John R. Humphries, Provident Life & Accident, Chattanooga, who discussed the human interest factor in selling.



F. L. McFarlane



J. R. Humphries

and Charles J. Currie, Mutual Life, Atlanta, who emphasized the need of increased association membership for greater effectiveness.

Plan Four Ohio Congresses

W. B. Hoyer, John Hancock, Columbus, chairman of the sales caravan committee of Ohio Assn. of Life Underwriters, has announced that sales congresses will be held Feb. 9 at Marion and Fostoria and Feb. 10 at Lima and Van Wert.

Speakers will be: Reeland Dick, Prudential, Dayton, "The High Cost of Dying"; Charles Hall, State Mutual, Dayton, "Planned Programming Pays;"

Clarence I. Quilling, New York Life, Dayton, "The Package Sale."

Charles E. Spencer, Toledo, vice-president of the Ohio association, will preside at all the meetings. Later sales congresses will be held in other cities of the state.

"Kick More Brush Piles, Get More Rabbits": Cook

INDIANAPOLIS—Paul W. Cook, general agent of Mutual Benefit Life at Chicago and chairman of the Million Dollar Round Table, spoke to the Indianapolis Life Underwriters Assn. on life insurance as "deferred compensation" both for the buyer and the agent. He emphasized the security, flexibility, and tax advantages of life insurance, pointing out that no other property has so many tax advantages.

Keeping the audience chuckling with his dry humor, Mr. Cook said that something is always going to ruin business. He recalled that social security, for example, was going to ruin the life insurance business but instead it made additional business. He said he welcomed change and turmoil because the only man you can't sell is a satisfied one. As for selling opportunities, he made the point that "the man who kicks the most brush piles gets the most rabbits."

Mr. Cook stressed the non-taxable profit possibilities in key-man insurance. He pointed out that with key-man insurance the government pays part of the cost because the profit is non-taxable.

Boston Congress March 10; Five Speakers Scheduled

The annual New England all-day sales conference sponsored by Boston Life Underwriters Assn. will open at 10 a.m. March 10 at Copley-Plaza hotel.

Speakers will include Holgar J. Johnson, president of the Institute of Life Insurance; John H. Jamison, general agent of Northwestern Mutual in Chicago; Paul E. Egan, regional supervisor in New England for John Hancock Mutual; and Addy A. Chandler of Atlanta, leading life producer for Travelers.

The luncheon speaker will be John Nicol Mark, philosopher and humorist.

Richard F. Wagner, manager Connecticut General, is general chairman.

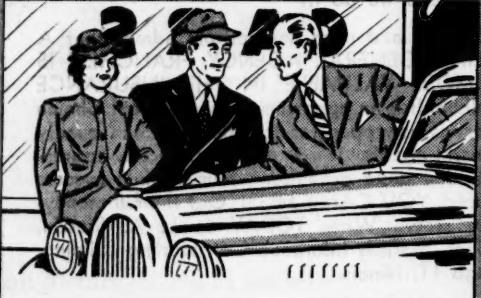
Sill Salt Lake Speaker

SALT LAKE CITY—Utah State Quarter Million Dollar Club heard a talk by Sterling W. Sill, manager here for New York Life, on "Sales Objectives."

Lloyd Ramsey Designated

Lloyd Ramsey, State Mutual, was recently designated honorary president of the Memphis Quarter-Million Club

THIS COULD BE Your STORY....



HAROLD C. JENSEN, AUTO SALESMAN OF NATIONAL CITY, CALIFORNIA, WAS INSURED ON FEB. 2, 1932 - BECAME DISABLED MAY 25, 1932



More than 1,900,000 Policyholders

More than \$235,000,000.00 paid
in benefits



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for leading all club members in production for 1948. An item in the Jan. 21 issue which stated that "Mr. Ramsay was designated honorary president," made it appear that Harry Ramsay of Penn Mutual, who was also mentioned in the item, had been designated honorary president.

Phila. Congress Speakers

The annual luncheon and sales congress of Philadelphia Life Underwriters Assn. will be at the Bellevue-Stratford ballroom Feb. 10. Speakers will include Daniel P. Cahill, director of the Purdue course; Fred Brand, Jr., Connecticut Mutual, Pittsburgh, and Kenneth L. Anderson, assistant general agent of Provident Mutual in New York City.

Allen Visits West Tenn.

For his first official visit and first speaking engagement since taking office, Commissioner M. O. Allen addressed life underwriters associations at Jackson and Memphis. He discussed proposed changes in the life section of the agents' qualification law and pledged full cooperation with the organizations and with individual agents in obtaining remedial legislation.

Based on the N.A.L.U. model bill, an agents' qualification bill has been introduced in the Colorado legislature. It is sponsored by Denver Life Underwriters Assn.

Denver—Warren V. Woody, manager of Equitable Society at Chicago, talked on what makes a quarter million dollar producer a half million dollar producer and a half million dollar man a millionaire.

The directors voted to cooperate with the A. & H. fire and casualty insurers in common activity for desirable legislation.

In Crosse, Wis.—Harold J. Cummings, president Minnesota Mutual Life, told Western Wisconsin Life Underwriters Assn. that while grandfather found it possible to do so, the average man today cannot provide financial security for himself and his family without life insurance, which is a safer, surer investment than speculation in stocks and bonds for the average person of today.

Richmond, Va.—Chesley M. Tredway, manager Retail Credit, was guest speaker at the January luncheon-meeting discussing inspection reports.

Nashville, Tenn.—Royall Brown, North-Mutual, Winston-Salem, N. C., a life member of the Million Dollar Round Table, stated that two of the most productive classes of insurance buyers are physicians and interns and the youth of America. He is a brother of Slater Brown, Nashville, Equitable of Iowa.

Houston—A. R. Jaqua of Southern Methodist University spoke, citing figures from S. M. U. records to show that agents having the highest number of closing interviews each week also have the highest number of applications and the largest volume. Hal Hostettler, manager of Reliance Life at Houston, talked on the necessity of supporting the local, state and national associations.

Fort Wayne, Ind.—Albert H. Kahler, vice-president of Indianapolis Life, spoke on "Motivation in Selling."

Albany, Glens Falls, Troy and Schenectady—Clifford H. Orr, president of N.A.L.U. spoke on "New Challenges" at a dinner held at Latham, N. Y.

Sioux City—Robert W. Wilkinson, Chicago, regional superintendent of agencies for Mutual Benefit Life, spoke on the advantages of a planned presentation, constant, intelligent prospecting and logical forceful closing.

Lima, O.—Daniel P. Cahill, director of the Purdue course, spoke on "Personal Organization and Planning." He substituted for Victor K. Miller, assistant director, who was ill.

Guertin Amendments Up in Ind.

Proposed amendments to the Guertin law have been introduced into the lower house of the Indiana general assembly. The bill, which places level term riders and decreasing term riders on the same basis for the computation of surrender values, is similar to amendment recommendations being made in most states.

MANAGERS

N. Y. Managers Elect Wofford President

NEW YORK—Harris L. Wofford, Prudential, was elected president of New York City Life Managers Assn., succeeding S. Samuel Wolfson, Berkshire Life, Louis W. Sechman, Aetna Life, is vice-president and John H. Evans, Home Life of New York, secretary.

Mr. Wofford announced the appointment of a four-man fact-finding committee on section 213 (expense limitation section) of the New York insurance law. It is headed by A. J. Johannsen, Northwestern Mutual. Other members are Clancy D. Connell, Provident Mutual; Richard E. Myer, Mutual Life, and John M. Fraser, Connecticut Mutual.

The next sales congress of the New York City Life Underwriters Assn. and the New York City C.L.U. chapter is scheduled for the Hotel Statler Feb. 17 from 3 to 5 p.m., it was announced. The program will be completed soon.

The luncheon speaker, John L. Grant, New York tax attorney, said that a new agent can learn the basic tax facts with no more trouble than he has in the other phases of his training. He urged the managers to impress this on their new agents and not to reserve the tax approach for experienced producers.

He said many large agencies are retaining tax attorneys to go to the prospect with the agent when a particularly complicated tax, estate, gift or trust problem is involved.

Mr. Johannsen presented an engraved silver gavel to Mr. Wofford. A moment of silence was observed for members who died during the past year: Walter E. Barton, Union Central; C. N. Leyendecker, Guardian; C. Preston Dawson, New England Mutual; and Charles Bellinger, Union Mutual.

Cincinnati Managers Fete Leading Agents at Dinner

CINCINNATI—The nations having the highest attainable measure of material well-being and social justice are those countries where both political and economic freedom are found, A. Gordon Nairn, executive vice-president of the Life Underwriters Assn. of Canada, declared at the annual leaders' banquet sponsored by the Cincinnati Associated Life General & Managers honoring the leading agents in lives and volume. Mr. Nairn emphasized the important role of the agent as a representative of free enterprise in selling a life insurance policy, which he termed a guarantee of freedom.

W. Henry Blohm, Provident Mutual, was chairman of arrangements. T. W. Strange, Ohio National, president, welcomed the agency leaders and congratulated them on their achievement.

Carothers Heads New Club

O. G. Carothers, Lincoln National, has been elected president of the newly formed General Agents & Managers Assn. at Canton, O. Paul Cloud, Western & Southern, is vice-president, and P. J. Paul, secretary-treasurer. Mr. Paul holds the same position with the Canton Life Underwriters Assn.

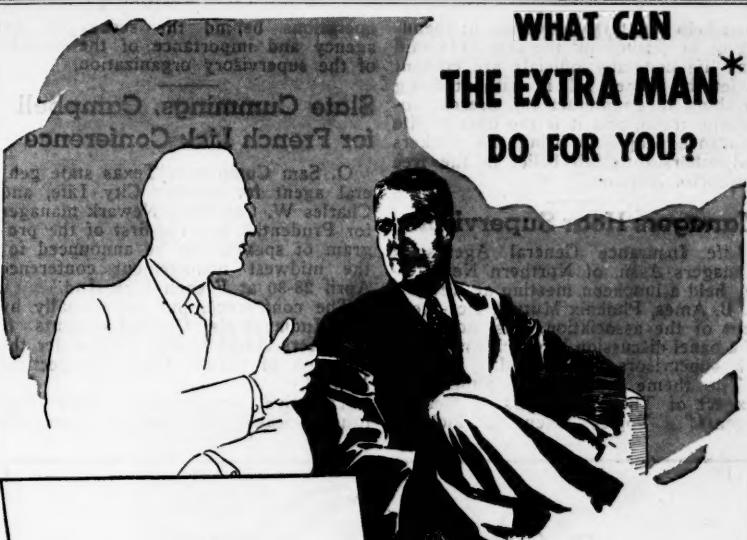
Take Up Cashiers' Work

SEATTLE—Arthur Challis discussed efficient and economical operation of a cashier's department at the weekly luncheon meeting Monday of the Life Managers Assn.

Urges Fight on Taxes

LOS ANGELES—N. Bradford Trenham, general manager of the California Taxpayers Assn., told Los Angeles Life Managers Assn. that life insurance

WHAT CAN THE EXTRA MAN* DO FOR YOU?



Perhaps you have run into a situation where an important client needs and wants additional protection but falls beyond the sub-standard limits of most companies.

At Connecticut General you can obtain sub-standard up to 500% mortality. In addition maximum amounts are substantial.... sub-standard can be written to age at issue 60... Connecticut General substandard extra premiums have recently been lowered.

* The EXTRA MAN typifies the specialized help that you as a broker can secure from your nearest Connecticut General office. The example above is one of many ways that The EXTRA MAN can help you build or conserve business.

CONNECTICUT GENERAL

LIFE INSURANCE COMPANY
HARTFORD, CONNECTICUT



BETTER SERVICE
THROUGH BETTER MEN
LIFE INSURANCE, ACCIDENT IN-
SURANCE, HEALTH INSURANCE
AND ANNUITIES. ALL FORMS OF
GROUP INSURANCE AND GROUP
ANNUITIES. PENSION TRUSTS.
SALARY ALLOTMENT INSURANCE

The COLUMBIAN NATIONAL LIFE INSURANCE Company

BOSTON, MASSACHUSETTS

WE'RE HEADING SOUTH

Our producers will be getting together again in March at Hollywood-by-the-Sea. These friendly "family" gatherings have been anticipated and enjoyed by Columbian National fieldmen for many years.

must help counteract government spending or be pushed off the map. He said that life company officials are content to let the money roll in without doing anything to counteract the present socialistic trend, and it is the duty of life insurance people to bring the workers and others into full belief in the free enterprise system.

Managers Hear Supervisors

Life Insurance General Agents & Managers Assn. of Northern New Jersey held a luncheon meeting at Newark. E. B. Ames, Phoenix Mutual, vice-president of the association, was moderator of a panel discussion in which four Newark supervisors participated.

The theme was "What Supervisors Expect of Their Managers or General Agents." Topics discussed included

operations behind the scenes of an understood to have been completed, and agency and importance of the morale of the supervisory organization.

Slate Cummings, Campbell for French Lick Conference

O. Sam Cummings, Texas state general agent for Kansas City Life, and Charles W. Campbell, Newark manager for Prudential, are the first of the program of speakers to be announced for the midwest management conference April 28-30 at French Lick, Ind.

The conference, put on annually by the Indianapolis General Agents & Managers Assn., is this year under the direction of Claude Jones, Connecticut Mutual.

Tentative arrangements with four other speakers of national note are

Jack Frost Austin Speaker

The Austin (Tex.) Life Agency Cashiers Assn. heard Jack Frost, Austin agency manager for American Hospital & Life, on ways in which a cashier may increase his or her value to the agency, and to manager and company. Mrs. Voncile Shooter, president, spoke.

Cashiers Hear Bunker

Paul Duback of First Wisconsin Trust Co. discussed 1948 revenue act and its effects on life insurance estates at the Feb. 1 dinner meeting of Milwaukee Life Insurance Cashiers Assn.

Represent General Agents

Newly named to the Connecticut Mutual general agents advisory committee are Henry C. Hunkin, Chicago; Vernon S. Mollenauer, Philadelphia; James F. Ramsey, Chicago, and A. V. Pritchett, Memphis.

Grand Rapids Managers Elect

The Grand Rapids managers association has elected J. M. Keppler, Bankers of Iowa, president (reelected); H. C. Martens, North American Assurance, vice-president, Fred A. Lumb, New England Mutual, secretary-treasurer. Board members elected are Charles E. Brown, Mutual Life, Fred Miller, Union Central, Raymond S. Maechel, Prudential.

Speaker was H. O. F. Barrett, retiring manager for Metropolitan at Grand Rapids.

Joint Meeting in Pittsburgh

The Pittsburgh Life Managers Assn. and the Life Supervisors Club at their joint luncheon meeting Feb. 8 at the Duquesne Club will hear a talk by Andrew H. Thomson, director of agency training of New York Life. The meeting is open only to members of the two organizations.

Top agents of the city's 35 life insurance agencies were honored at the annual dinner of the **Syracuse General Agents & Managers Assn.** at Syracuse, N. Y. An inscribed award for accomplishment was presented each outstanding agent.

Continental American's managers and general agents association has elected Robert O'Neill, Syracuse, president; Reiner Dukes, Baltimore, vice-president and Jules Anzel, New York City, secretary-treasurer. M. J. Lauer, New York City, the outgoing president, was presented a gift.

ACCIDENT

Mold Thinking into Proper Channels: Sichelstiel

Bert L. Sichelstiel, assistant secretary in charge of the A. & H. department of Reliance Life, addressed A. & H. Underwriters Assn. of St. Louis on "The Tentative Government Program As It May Affect Our Industry—and What We Can Do About It."

"The big task to be performed by the insurance industry," he said, "is to mold public thinking into the proper channels. The public should be taught to concentrate on the necessities of life and less on the frills and luxuries. In short, it is a job of building proper public relations."

He declared that any form of group or mass coverage in excess of reasonable amounts, whether it be compulsory or voluntary, is actuarially unsound. Individual risk selection is the only method that permits the issuance of the more liberal plans. A properly proportioned balance between mass and in-

dividual coverage plans can be determined and is perhaps the only solution.

He urged greater education, both for the insurance buying public and those in the business. He said there should be available in all colleges a course on general insurance with elective study in the special branches of the business.

Don't Use Technical Terms, Lane Tells N. J. Group

NEWARK—Too many insurance men use technical terms when they are endeavoring to sell insurance, Mervin L. Lane, head of his own agency in New York City, told New Jersey A. & H. Assn., at a breakfast meeting here. He said that in selling insurance agents should use simple language so that the prospective client understands what it is all about. He said there is a vast field for the coverage of children which many insurance agents and brokers were overlooking.

Julius L. Ullman, president of New York A. & H. Club, and De Witt A. Stern, president of New York Assn. of A. & H. Underwriters, spoke briefly on the progress of the accident and health industry. Richard Caldwell, U. S. Life, president of the New Jersey association, was in charge. About 40 attended the breakfast.

The next meeting Feb. 17 will be a dinner preceded by a cocktail party.

Cincinnati Blue Cross Hike

Cincinnati Blue Cross has raised its fees for payroll deduction single members from 95 cents to \$1.20 per month. Payroll deduction family contract fees have been raised from \$2.25 to \$2.80 per month. The fees for single individually billed subscribers have been upped to \$3.90 quarterly while the family billed individually now pays \$8.90 quarterly.

SALES MEETS

Wood Agency 29% Gain Is Told at 15th Year Banquet

In the first 26 days of January, the Freeman J. Wood general agency of Lincoln National Life, at Chicago, produced over \$800,000 of new business, it was reported at a banquet honoring Mr. Wood's 15 years in his present post.

Three home office men were present, including Donald Semans, secretary and chief underwriter; Warren Brudi, superintendent of agencies, and Dr. George Graham, assistant medical director. J. C. Gregsamer, one of Mr. Wood's leading agents, was toastmaster. The agency and clerical staff attended.

The business volume and quality were better than the average of the company's agencies and the Wood office won sixth place in paid business volume with over \$5 million of ordinary.

Mr. Wood gave a talk, commenting that prosperity of individual agents is the most important factor of the general agent's job. He feels life insurance is the finest business in the world.

The home office men reported that while life insurance country-wide showed a decrease of about 1½% in paid volume last year Lincoln National gained 2.2%, and the Wood agency had the unusual increase of 29% over 1947. Indications point to the next 15 years in life insurance being better than the last 15, it was said.

Minn. Mutual G. A.'s Meet

ST. PAUL—In a talk at the opening session of a three-day sales conference of Minnesota Mutual, T. A. Phillips, chairman, predicted that 1949 "will be just as fabulous as the other 10 years of this decade if you want to find customers and sell them insurance." Other speak-

A bill has been introduced in the Indiana legislature providing for a state-wide health insurance program.



Cakes are made from various ingredients, but our cake contains—Special service—Sharp selling aids—A complete line of policies—A tried and tested recruiting plan—A proven training procedure.

The "Icing" is the Pan-American Life's NEW AGENT'S COMPENSATION PLAN BUILT FOR THE CAREER MAN

LIFETIME COMPENSATION plus BONUS FOR QUALITY BUSINESS

CONTINUOUS RENEWALS

NON-CONTRIBUTORY PENSION

DISABILITY BENEFITS

DEATH BENEFITS

How's that for icing!

For Information Address:
CHARLES J. MESMAN, Superintendent of Agencies

PAN-AMERICAN LIFE INSURANCE COMPANY

New Orleans

CRAWFORD H. ELLIS, President

U. S. A.

EDWARD G. SIMMONS
Executive Vice-President

KENNETH D. HAMER
Vice-Pres. and Agency Director

American Mutual Life Insurance Company

MEMO: FROM HARRY S. MC CONACHIE, VICE-PRESIDENT

A WINNING COMBINATION FOR BUILDING SUCCESSFUL AGENCIES

1. Unusual Compensation Plan
2. Training Schools
3. Prize-winning Sales Aids.
4. Annual Convention
5. General Agents Advisory Council

A General Agency Company

be determined,
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ers were Harold J. Cummings, president; John W. Fischbach, general counsel; I. A. Graff, assistant counsel, and Arthur W. Theiss, director of publicity and advertising. About 100 general agents attended.

Atlantic's Managers Meet

Discussions of company objectives in 1949 to increase business volume, provide better service to policyholders and improve the welfare of its field force featured the annual meeting of managers, general agents, and supervisors of the Atlantic Life. George T. King, Jr., general agent at Richmond was awarded a plaque naming him "man of the year." His 1948 production placed him in top position for the second successive year. Robert V. Hatcher, president, made the award.

Mass. Mutual Okla. Rally

About 50 agents of Massachusetts Mutual Life attended an agency meeting and dinner at Oklahoma City. Key speaker was Chester O. Fischer, vice-president in charge of agencies. J. Hawley Wilson, general agent for Oklahoma, announced 1948 production of paid for ordinary business was about \$4 1/4 million, with \$1 1/2 million in group insurance sales. Honors went to R. W. Dozier, member of the Million Dollar Round Table, whose production in 1948 reached \$1 million for the 10th successive year.

N. O. Rally First Since War

The convention of Reserve Loan Life, its first since the war, will be attended by 156 qualifiers and their wives and a delegation of 15 home office officials. The convention will be at New Orleans Feb. 8-10. The highlight of the convention will be the president's banquet and ball honoring President's Club and Century Club members, who will receive lapel emblems. President B. Hick Majors will present the president's cup to the Southwest insurance agency, El Paso, for having the best all around record for 1948.

Business Insurance Parley

About 60 field agents of the Kasche & Kasche agency of Aetna Life at Milwaukee attended a conference on business insurance there. Home office specialists who participated in the program were Joseph F. Euler, R. P. Fuchs, Carl Engle and Joseph Bradley.

Ohio State Life will hold its 1950 agency convention Jan. 30-Feb. 1 at the Deshler-Wallack hotel, Columbus.

AGENCY NEWS

N. C. Agents of N. E. Mutual Congregate in Charlotte

North Carolina representatives of New England Mutual held a two-day seminar in Charlotte under the direction of Archie B. Carroll, Jr., general agent in the state.

Homer C. Chaney, director of agencies, was a featured speaker. The annual agency dinner was held in the City Club.

The agency wrote more than \$1 1/2 million new life insurance in 1948 and was one of the leaders in percentage of assigned quota fulfilled.

Qualify for Minute Men

H. L. Gladden, T. L. McCoy, J. C. Wotring and L. S. Wright, Jr., of Lincoln National Life at Indianapolis have qualified for the Lincoln National Life's Minute Men Club. It is the eighth consecutive year that Mr. McCoy has qualified.

Gives Students Aptitude Tests

Franklin G. Stull, general agent Penn Mutual at Seattle, has been lecturing to

insurance classes at the University of Washington on life insurance as a vocation and has cooperated in giving the L.I.A.M.A. aptitude index to all students in the course. He believes that general agents in college towns might well find this is a service they can render the schools of business and the students and at the same time perhaps gain some recruiting benefits from this activity later on.

Hedges Holds Annual Rally

The Bert A. Hedges agency of Business Men's Assurance at Wichita held its annual meeting there this week with J. W. Sayler, vice-president and C. M. Barricklow, sales assistant, in charge. Mr. Hedges announced that 13 have qualified for the company convention at Banff. There was a dinner Monday evening.

John C. Dexter of Columbus led Columbus Mutual in 1948 volume.

POLICIES

Can Convert Family Income to Permanent Plan

New England Mutual will now permit conversion of the family income policy attached to a CSO policy, at attained age and without evidence of insurability, to a premium-paying life or endowment policy on conditions consistent with the "change of plan" provisions in the policy.

A change in the rules relating to discount premium limits removes the limitation of discount as to funds derived from an individual for more than one member of his family. The head of a family may now discount premiums on each life up to the usual limit of \$25,000 in one 12-month period, or a total of \$50,000. There is no change in the rule as it applies to corporation, other business or trustee funds.

Amer. United Adds to Line

American United has added a new policy and an additional line of riders. The new policy, the "Shielder," is in structure a modified 2 paid up at age 70. The line of riders consists of level term, attachable to any policy form except term or a policy to which some other rider such as family income or mortgage income is already attached.

Preparing Policy Series

The Chicago actuarial firm of Thomas & Tiffany is handling actuarial work in connection with conversion of the former North Star Life of Moline, Ill., to Western Mutual Life and preparation of policies, rates and values on the C.S.O. table.

Western Mutual is writing the conventional plans of ordinary life insurance, some special plans and also is entering the group life insurance field. Waiver of premium benefit is being printed in and made a part of all new policies, and accidental death benefit covering up to age 60 will be written.

Age limits are birth to 65. The company writes non-medical along conventional lines and in the usual standard amounts.

Allyn on N. W. Mutual Board

Stanley C. Allyn, president of National Cash Register Co., has been elected a trustee of Northwestern Mutual Life. He joined National Cash Register in 1913 and became company president in 1940. He heads the University of Wisconsin Alumni Assn.

Would Waive Perpetuities Ban

Exemption of pension trusts, death benefit trusts, and profit-sharing plans set up by employers from rules against perpetuities and suspension of power of alienation would be provided by a bill introduced in the Indiana legislature.

*The
FRIENDLY
COMPANY
OF DISTINCTION
presents*



KENNETH B. WADE



GEORGE N. WADE

CAREER FAMILIES

GEORGE N. WADE of Harrisburg, Pa. has built one of the outstanding general agencies for The Ohio National since joining the Company in 1922.

His brother, Kenneth B. Wade, an associate of The Wade Agency since 1933, has blazed a successful trail of his own at Lancaster, Pa.

The Wade brothers are typical of the successful family combinations representing The Ohio National in many localities.



THE COUNTRY'S MOST FRIENDLY COMPANY OFFERS: . . .

- Modern and attractive agent's and general agent's contracts to those looking for a permanent connection.
- Complete line of Life Insurance policy contracts from birth to age 65 with full death benefit from age 0 on juvenile policy contracts.
- Complete line of Accident and Health policy contracts with lifetime benefits.
- Individual Family Hospitalization contracts with surgical, medical and nurse benefits.
- Complete substandard facilities.
- Educational program for field men.

Strong, Progressive Company

Older than 85% of all legal reserve life insurance companies

Openings in California, Illinois, Indiana, Kansas, Michigan, Missouri, Nebraska, New Jersey, North Dakota, Ohio and Wisconsin

NORTH AMERICAN LIFE INSURANCE COMPANY OF CHICAGO

C. G. ASHBROOK, VICE PRESIDENT-DIRECTOR OF AGENCIES
NORTH AMERICAN BUILDING, CHICAGO 3, ILLINOIS

COMPANIES

Union Central Holdouts Ask Court to Value Shares

CINCINNATI—A payment of \$125 a share is sought by 11 stockholders of Union Central in an answer and cross petition filed in common pleas court for the capital stock of the company for which the company has offered \$25 a share. Answering the company's suit for surrender of their 33,580 shares, the defendants asked that if \$125 is not a fair value for the \$20 par stock, that a fair value be determined by court appointed appraisers who should take into consideration the profits and surplus earned since Aug. 7, 1941, the year

when the mutualization program was approved.

Surrender of the stock was sought by the company in carrying out its mutualization program. The stockholders concerned in the litigation are J. W. Patterson, Aletheia E. Patterson, Anna W. Patterson, Ernestine Patterson, Marie S. Patterson, Cincinnati; E. G. Alcorn, and R. S. Alcorn, Dallas; Edith M. Alcorn and Janet Alcorn Wagner, Cincinnati; Lathrop Nelson, Lancaster, Pa., and E. R. Williams, Peoria, Ill.

Announces Agency Policy

Western Mutual of Moline, Ill., which was formed from the old North Star Life, legal reserve fraternal, announces its policy in addition to paying standard first year and renewal commissions, paying a monthly income al-

lowance directly to the agent, protecting him in case of total and permanent disability; providing a retirement income guarantee which the agent will create through his monthly income allowance, and also giving free group life insurance up to \$5,000 maximum based upon volume of renewable insurance in force.

There is a special provision under which a beneficiary or beneficiaries can be named to receive benefits under the agency compensation and protection plan, covering against the agent's death.

On Bankers, Neb., Board

J. W. Seacrest, co-publisher of the Lincoln "State Journal"; W. B. Millard, Jr., president of the Omaha National Bank and C. H. Heyl, agency vice-president of Bankers Life of Nebraska, have been elected directors of the latter company.

Work has been started on the excavation for London Life's \$3 million seven-story head office.

Treasury Liberalizes Tax Rule on Income Payments

WASHINGTON—Treasury decision 5684, effective Feb. 13, amends the regulations dealing with taxes on annuities by redefining the definition of annuity to exclude periodical payments not involving a life contingency. The ruling makes the so called 3% rule inapplicable to any installment which does not involve a life contingency. The rule as to payments involving life contingency requires each annuitant to include in his annual gross income for tax purposes 3% of the amount he paid for the annuity. Under the new rule if no life contingency is involved the recipient won't have to include any part of the amount of the annuity he receives until the amount he receives exceeds the amount he has paid into the company. The new ruling is regarded favorably by the companies.

Metropolitan Managers Held First of 3 Regionals

Metropolitan held a three-day meeting of 200 managers from the eastern, central, southeastern, and south central states at the home office in New York. President Leroy A. Lincoln, Cecil J. North, vice-president in charge of field management, and other officers addressed the sessions.

The meeting was the first of three regional conferences. Additional meetings will be held in mid-February and March. A June meeting on the west coast is scheduled for western and Canadian field men.

Wilson Heads Omaha C.L.U.

The Omaha C.L.U. chapter has elected Addison W. Wilson, Bankers Life of Iowa, president; Claude E. Clinton, Aetna Life, vice-president, and Ernest W. Grey, Jr., Occidental Life, secretary.

NSLI Uncentralized

WASHINGTON—With the centralization of most veterans administration activities ordered by Administrator Gray, National Service life insurance matters will be the only VA services that will continue to be handled at the VA district offices.

NEW HORIZONS

- 1. Liberal First Year Commissions.
- 2. Vested Renewals Unsurpassed.
- 3. Bonus on Quality Business.
- 4. Personalized Home Office Service.
- 5. Attractive Retirement Plan.

Openings in Virginia, West Virginia, North Carolina, South Carolina, Tennessee and Alabama. For information write: E. Dudley Calhoun, Superintendent of Agencies.

Shenandoah Life INSURANCE COMPANY, INC.

ROANOKE, VIRGINIA — DALE C. RUFORD, PRESIDENT

An Emblem of Distinction



Sound business management and very low mortality have given Lutheran Mutual the distinction of being one of the very lowest net cost companies in the United States.

Inquiries, regarding agency openings, are invited from Lutherans.

LUTHERAN MUTUAL LIFE INSURANCE COMPANY

Waverly, Iowa

Willis H. Satterthwaite, recently promoted to counsel of Penn Mutual, has been assistant counsel since 1935.



John A. MacPhee, formerly with North American Life and later with Commercial Agencies at Edmonton, is now acting deputy superintendent of insurance for Alberta.

Ohio National Program Supported

(CONTINUED FROM PAGE 3)

plus was added the estimated present value of earnings which it was thought would arise from the existing non-participating business after taking into account deficiencies in non-participating insurance business.

Mr. Evans said that a recent mutualization contract of a large company provided a payment to stockholders of only about one-fourth of the capital and surplus because the surplus had been largely contributed by participating business. When this company started to write participating business, the limitation on stockholders' dividends was 6% of the par value. Another mutualization contract for a large stock company writing solely non-participating insurance paid their stockholders their capital stock plus less than one-half of surplus. By the issuance of participating business at lower interest guarantees, the earnings have improved in recent years, however, these earnings have arisen mainly from participating policies. Surplus has increased, too, but no more than enough to keep pace with growth.

Action of Dissenters

Mr. Evans said that the mutualization plan could not be put in operation at an earlier date because of the action of two dissenting stockholders representing 69 shares. On Nov. 24, 1948, however, the Ohio supreme court upheld the plan. On Jan. 21 the price which the Ohio National must pay for the 69 shares was fixed by the Hamilton county court of common pleas at \$77.19 per share. This price appears wholly unwarranted, he said. Such a price applied to all shares outstanding would exceed the present capital and surplus, a very large part of which surplus has arisen from the participating business written since the plan was agreed upon in 1941. The company will appeal from this judgment, he said.

Company counsel say that the mutualization proceedings have produced a binding legal contract which cannot lawfully be rescinded by the stockholders. "It is anticipated that the plan will be carried into effect in accordance with its terms," he said.

Works Both Ways

"As a life insurance company we are prepared to carry out our policy contracts whether death occurs today or 100 years from now. We intend similarly to carry out the contact between stockholders and policyholders made in 1941."

Mr. Evans went on to review the excellent 1948 results. There was an increase of about 10% of insurance paid for, the figure being \$64,007,000. Insurance in force increased by about \$34 million to \$385,433,000. Premium income was \$10,778,000, assets \$97,605,000, capital and surplus \$5 million. Volume of new business was at an all-time high.

After 20 years of a steady decline, the net interest income increased slightly last year, the figure being 3.10% as compared with 2.96% in 1947. He indicated that some of the improvement was attributable to a switch from government bonds to "other securities better fitted for our purpose." Government bond holdings were \$14,288,894, a decrease of about \$10 million. Municipal bond account was higher by \$8,193,189, public utility account was up \$5,926,217 and mortgage loans were up \$2,262,000.

All of the annuity reserves are now on at least a 2½% standard annuity table. Surplus was increased by \$351,280.

John A. MacPhee, formerly with North American Life and later with Commercial Agencies at Edmonton, is now acting deputy superintendent of insurance for Alberta.

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Congress Gets Inquiry Resolution

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seek support for any predetermined conclusions. The sole objective is to gather the facts and all the facts, and from the study of those facts, to reach reasonable and fair conclusions. The investigation will be studiously objective and rights of witnesses will be properly and judicially protected.

"In connection with this proposed investigation, it will undoubtedly be necessary to consider not only the impact of the federal anti-trust laws upon the life insurance industry, but also the question of the suitability and desirability of public law 15 with respect to its application to the life insurance industry, and the further question of whether public law 15 requires any modification or amendment. (Public law 15 provides, among other things that the business of insurance, and every person engaged therein, shall be subject to the laws of the several states which relate to the regulation or taxation of such business.)

"It is contemplated the proposed investigation will be sufficiently broad to encompass an evaluation of state insurance legislation in this field."

MILD IN TONE

The tenor of the above statement is mild, compared to press interviews and radio speeches of Mr. Celler. Consensus of insurance observers is that Senator McCarran's influence on the investigatory picture has already made itself apparent. He has said there should be no witch hunt. The senator's attitude is believed to be one of helpfulness towards the industry.

This is regarded as indicated in the fifth paragraph of the joint statement, which says not only the impact of anti-trust laws upon the life industry will be considered, but also "the question of the suitability and desirability of public law 15 with respect to its application" to the life industry; also that whether the latter law should be amended. This last phrase, however, is broad enough to cover other segments than life.

The resolution departs from the scope of what Celler had indicated an insurance investigation should cover. He told THE NATIONAL UNDERWRITER the investigation he proposed would not be limited to the life industry. But the McCarran-Celler plan is so limited, although the accompanying statement is broader than terms of the resolution. However, Celler could possibly propose an investigation of his own in the House judiciary committee of fire, casualty and other segments of the industry. He has been out of town a long week-end and confined himself to the above statement before leaving.

Referred to Committees

The identical resolutions were referred to appropriate House and Senate committees. After committee action, passage of the resolution by both houses will be necessary before the investigation can be begun. The resolution could be amended in committee and on the floor of either house so as to widen or limit the scope of the proposed investigation. There are those in Congress who think other segments should be investigated.

Senator O'Mahoney, Wyoming, who has spearheaded the congressional drive on insurance, apparently will be left out in the cold in the proposed investigation. Being no longer a member of the judiciary committee, he would not be eligible to serve on the investigatory joint committee.

However, he has been critical of the life industry beginning with the days of the temporary national economic committee, which conducted an investigation. O'Mahoney has reportedly said life companies exercise too much economic power and has indicated his belief it might be a good thing to break up some of the big ones if that could be done without injuring their solvency.

Although officially out of the proposed McCarran-Celler investigation, O'Mahoney, as chairman of the joint committee on economic report, could tackle the insurance situation, it is believed, in connection with legislation to carry out his ideas against bigness in business and for limiting profits. Or, he could ask to appear before the joint insurance committee, or suggest witnesses for it to hear and subjects or points for it to study.

McCarran, Celler Conferred

Before introduction of the resolution to investigate the life insurance industry, Senator McCarran and Rep. Celler conferred with each other. The former, becoming convinced the latter proposed to go ahead with his plan for investigation, joined in preparation of the resolution and the joint statement that accompanied its introduction. Under this joint plan, the investigation is expected to be more friendly than it otherwise might have been.

Mr. Celler says he plans to contact the House rules committee soon and request consideration of his resolution. Once that committee acts favorably upon the resolution, Celler says, it will have right of way in the House. He says he confidently expects passage of the resolution.

Celler says Speaker Rayburn will consult him regarding the House personnel of the investigating committee and that he (Celler) will be on it.

Asked who will be chairman of the joint committee, Celler replied: "There will be two co-chairmen. The resolution so provides. They will have equal authority."

TUG OF WAR AHEAD?

A tug of war may develop between the two men, although Celler has toned down considerably since his first broadside against the life companies.

Celler said it is too early yet to discuss the program of the investigation in detail, as to plans, witnesses dates, etc. However, he did state public hearings will be held and that he expects cooperation with government agencies, such as the Department of Justice and federal trade commission. He plans to contact the latter in that connection.

Asked whether he had conferred with life insurance interests regarding the proposed investigation, Celler said they "have conferred with me" and have submitted material for consideration. He declined to give the names of persons or organizations with whom he has been in touch in that connection.

Will Be "Objective"

"The investigation will be objective," said Celler. "I have no preconceived notions. The idea is to get the facts and draw conclusions from the facts, regardless of where the chips may fly.

"When life insurance companies make loans now estimated by the New York superintendent of insurance at \$10 billion, the public ought to know a little bit about who is passing on these loans, what companies are getting them, the size of individual loans, what relationship, if any, exists between the life interests and companies that are getting the loans and between the latter and any person connected with the insurance companies.

"Are these loans being made to foreign corporations outside the country?" asked Celler. "If so, to whom, and how much? If made outside the country, have they been cleared through the State Department? Are they of such character as to affect our foreign policy?"

Referring to a reported demand of New York legislators for limitation upon the lending powers of life insurance companies, and particularly a proposal that no loan should exceed 3%, instead of the present 10% of the lending com-

(CONTINUED ON NEXT PAGE)

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The continuing advancement of the essential interests of its field underwriters is fundamental in Equitable Life of Iowa operations.

Scientific selection, progressive and thoughtfully planned training, and an amplitude of field tested sales aids, are integral parts of a development program the merit of which has become more apparent annually.

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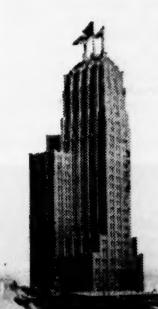
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LIFE * ACCIDENT * HEALTH
Issued together at a substantial saving,
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(CONT'D FROM PRECEDING PAGE) pany's assets, Celler remarked: "Legislators other than members of Congress are expressing an interest in insurance company loans."

Though his resolution appears to be limited to investigation of the life industry, Celler admitted the "possibility that other companies as to public law 15," may be brought within scope of the inquiry. He said, however, it is not the intent to include fire and casualty, but explained that law applies to all insurance "and it would be hard to draw the line and separate them."

Celler said the House judiciary committee will have no subcommittee on insurance, but that that committee and the proposed joint investigating committee will have experts on insurance attached to them. Under the resolution, the latter committee could employ experts as consultants, actuaries, etc.

There will be no presentation, or persecution, of the life insurance industry in the proposed congressional investigation if Senator McCarran has his way about it, according to insurance men who have talked with him about plans for the investigation. It is further reported that industry members would be given opportunity to clean house if the necessity for action should develop.

Insurance observers will watch with interest the selection of members of the joint committee. Usually a committee chairman submits a list to the speaker or Senate presiding officer, who rubber-stamps such appointments. However, there is no requirement in the McCarran-Celler resolutions concerning nominations to the joint committee.

The ranking Democratic and Republican members of the House judiciary committee are Reps. Walter, Pennsylvania, who is friendly to the insurance industry, and Michener, Michigan, former chairman and a conservative. Next Democrat on the committee is Hobbs, Alabama, who has sponsored legislation

to deny use of the mails to unlicensed insurance companies.

Senator Wiley, Wisconsin, former Republican chairman of judiciary and friendly to insurance interests, would be in line for appointment to the joint committee, it is believed.

The proposed investigation will be very carefully watched, because of the Democratic administration attitude towards insurance, as evidenced in the Southeastern Underwriters Assn. prosecution several years ago and the more recent federal trade commission investigations, which include not only the trade practice conference procedure for the mail order industry, but a study of all state insurance laws and regulations.

It is pointed out that most state legislative activity under P.L. 15 has been concerned with fire and casualty rating laws, only 18 states having enacted fair trade practice laws for the industry.

Industry members believe the material being gathered by FTC, together with its report thereon showing the extent to which the industry is being regulated by the states, would be helpful to the congressional committee, and it would not surprise them to note cooperation between the two inquiries.

Try to Appraise Temper

Adverting to the administration attitude, observers believe there may be a disposition among the joint committee members not to get too far away from the bandwagon—having in mind the November election results.

On the other hand, no "three-ring circus" is expected to develop at the investigation, in view of McCarran's declaration against a witch hunt.

Industry representatives and insurance observers here express the belief that the attitude of the industry toward the proposed investigation will be "wait and see." It is pointed out that Congress has the right and power to investigate anything it wants to, and it is said the

industry could do nothing about the matter anyhow.

Being on the spot, under the resolution, the life industry is expected by observers to steer clear of Washington, and it is predicted no attempt will be made against the resolution.

JOHNSON COMMENTS

At the request of the Associated Press, Holgar J. Johnson, president of the Institute of Life Insurance, made the following comment on the resolution of Rep. Celler and Senator McCarran asking for a Congressional investigation of the life insurance business:

"The life insurance business, having the confidence of the public it serves, is always open to public scrutiny. It has no concern over an inquiry 'the sole objective of which is to gather facts and reach reasonable and fair conclusions.'

"There is no business which is more competitive or which operates more completely in the full public view than does the life insurance business. It virtually operates in a goldfish bowl. For years it has been regulated in the public interest by the insurance departments of every state and the District of Columbia."

PARKINSON'S VIEWS

"Assuring you that we will welcome and cooperate with a serious and responsible inquiry into any phase of the life insurance business," Thomas I. Parkinson, president of Equitable Society, wired Rep. Celler and Sen. McCarran, "may we suggest that in providing for and conducting such inquiry you avoid alarming our policyholders into surrender of existing insurance to their own or their dependents' detriment and also avoid unnecessary waste of policyholders' funds such as was involved in the rambling, irresponsible and useless investigation by the TNEC? We assure you that we are heartily of the opinion that any inquiry which results in real public benefit will be beneficial to the life insurance business."

New York legislators have done some investigating of the life business and State Senator Walter J. Mahoney of Buffalo, chairman of the joint legislative committee on rates and rating legislation, was quoted by newspapers that he saw no just cause for an investigation of the life industry in New York. There, he said, a good job already has been done and federal regulation is not needed. He added that his committee had not found information hard to get from the insurance companies; they have been very cooperative.

The reaction of life company executives to the proposed Celler-McCarran investigation is notably calm. They are not uneasy because they believe their business and its conduct is not subject to serious criticism. Also, they have been seasoned by the TNEC inquiry and the Mahoney committee probes in New York state—in the practice of coming forward and defending themselves. They have practiced saying their piece, and appearing on the stage of an inquiry does not make them nervous. They know that the mere fact of an investigation does not convict them of anything seriously wrong with the business.

The \$100,000 being asked for the investigation is a lot of money and would pay for a lot of investigation. Also, the approach by way of checking state supervision will open the door for the inquiry to proceed in almost any direction on almost any topic—investments, group, etc.

The possibility of federal regulation of some sort also cannot be entirely disregarded. As a matter of fact any inquiry into state regulation raises the question of whether there are areas in which Congress will feel impelled by some motive to insert the federal arm.

COLUMNIST COMMENTS

Thomas L. Stokes, feature writer for the Scripps-Howard newspapers, commented on the proposed insurance inquiry, in a dispatch from Washington:

"The 81st Congress is in an investigating mood . . . largely because of the way big special interests operated about the 80th Republican Congress. President Truman told that story to the people in his campaign. The new Congress elected with him reflects the curiosity he aroused about powerful business and financial institutions that are so influential in our economy and thus in the daily lives of the people and also, as the 80th Congress demonstrated, influential in our politics . . ."

It would also be "salutary," according to Mr. Stokes, to investigate "the mammoth life insurance industry as now proposed in a resolution jointly sponsored by Rep. Celler and Sen. McCarran."

"The insurance industry is very powerful because of its ramifications into our whole business and financial structure through its investment of billions in all sorts of enterprises." Commenting on the Celler-McCarran statement that detailed information concerning the operations of the industry is not only greatly lacking but apparently difficult to secure, Mr. Stokes says "this powerful industry has been in fact almost sacrosanct. It has so many pressures available to stop prying eyes."

Mr. Stokes also covered the TNEC investigation of life insurance. Though by no means an out-and-out sensational monger, he was inclined to play up anything that the investigators could make look bad for the business.

Johnstone Succeeds Traynor for Prudential in Canada

Artemus R. Traynor, Canadian supervisor for Prudential, has retired after 31 years with the company and is succeeded by A. A. Johnstone at the Toronto headquarters.

Mr. Traynor joined Prudential as an agent at Winnipeg in 1917, becoming manager there in 1922. Nine years later he became dominion supervisor, holding that title until his retirement.

Mr. Johnstone has been regional manager since 1947. He went with the company in 1933 and has managed offices at London, Ontario, Sault Ste. Marie, and Toronto. For a time he was at the home office as regional manager. He is a C.L.U. and the first Canadian named to the supervisory post.

710,000 in N. J. Private Plans

Nearly half of New Jersey workers who are covered by disability insurance are insured under private plans, according to a report just issued by the employment security division. More than 710,000 workers out of a labor force of 1,600,000 are covered by private or public plans. Those not covered under private plans automatically are covered by the state plan.

Leon Gilbert Simon, Equitable Society, New York City, spoke on "Business Insurance in 1949" at the Newark C.L.U. meeting.

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C. T. Clayton V.P. of Liberty Nat'l

Charles T. Clayton has been elected a vice-president of Liberty National Life. He has been associated with Liberty National since 1929, having served as agent, field supervisor, manager and most recently as division manager of all Tennessee offices. He is a former president of the Memphis Life Underwriters Assn. and is currently president of the Memphis Life Managers Assn.

S. C. Brief Answers Family Security Life's

WASHINGTON—Scheduled for argument before the Supreme Court this week is No. 297, South Carolina Commissioner Benjamin et al vs. Family Security Life.

The state brief replies to the company's argument that the law divorcing insurance from the undertaking business deprives it of due process and equal protection. The state points out the Supreme Court has "time after time" rejected the claim that a legislature may not limit freedom of contract; that "appellees' funeral insurance plan would stifle competition . . . undertakers would be forced to become agents of the insurance company or go out of business. It would channel maturity benefits to certain undertakers."

The brief argues the state law minimizes the tendency of funeral insurance written through undertakers to place the agent-undertaker in an inconsistent fiduciary capacity. "As undertaker it is to his interest to spend the entire policy proceeds on the funeral, as insurance agent he should be free to advise the beneficiary to retain the proceeds or a major portion thereof for necessary family expenses. . . . The inadequate commissions for collecting premiums tempt the undertaker-agent to obtain his real compensation in the funeral bill," the brief states.

Gov. Duff of Pa. Asks \$15 Million Subsidy

HARRISBURG—Gov. Duff has asked the Pennsylvania legislature to appropriate \$15 million to subsidize local housing authorities or insurance companies on low-rental housing construction. The state subsidy would be an outright grant, conditioned only on giving the state the right to control rents. Insurance company and other financial interests have agreed to provide funds for low-rent housing under his program, Gov. Duff said.

Mutual Trust Offers Novel Juvenile Program

Mutual Trust Life has brought out a novel juvenile plan known as "Self-Completing Educational Endowment."

It provides monthly income for the child from kindergarten through college, contingent upon the date of death or total disability of the payor before maturity of the policy; and in addition pays full maturity value at age 18. The proceeds at maturity may be placed under settlement options as desired.

If a person takes out a \$2,000 endowment at age 18 policy on the life of a child age 1, and the payor dies before the child reaches age 18, then an income of \$30 per month will be paid for the benefit of the child until the child's age 21.

When the child becomes age 18, regardless of whether or not the payor is living, the endowment will mature for its face value and the proceeds may be used under one of three options.

This plan is attached only to the endowment at age 18 and the endowment at age 21.

Reactions to Higher Compensation Talk

(CONTINUED FROM PAGE 3)

gestion of raising price of insurance will not work. "We would price our product out of the market," he said. "If we did that, sales would go down and so would the agent's compensation. An agent should talk it over with his own company. Just hollering about the subject in public won't help. The companies can't raise rates. Not only would this get a bad reception in the industry but the public would oppose it."

"Don't blame the entire problem on section 213," another official commented. "The law is a good one even though some minor changes are probably needed. It keeps the companies on a sound financial basis and has kept wild cat companies out of the field. What kind of a reputation do you think the life business would have if a few companies went broke fighting to get business?", he asked.

Sales Aids Cost Money

The companies have been pouring a lot of money into sales aids for the agents, another agency man stated. Most companies have schools, sales conferences, improved training and education, direct mail assistance, big advertising budgets, and other items all of which have helped to sharpen the agent's sales tools. A lot of agents agree with him, he said, that they need those things more than they do a slight increase in commission. The agent earns more money with these sales aids and learns to sell more efficiently and economically.

There is an over-all, long time trend toward agents being recognized as employees rather than as independent contractors, another company man said. The business leans to controlled distribution. Life companies provide more help on sales than those in any other industry. Training, supervisory procedures, etc., are entirely different from years ago. The companies are footing the bill for all this.

He also pointed out the different application of section 213 on companies that operate on a managerial basis contrasted with general agency basis. Companies with managers have more leeway on expenses. The trend is for companies to switch from general agency to managerial contracts.

Private Loan Obstacles Opposed

(CONTINUED FROM PAGE 1)

tual Life, which emphasized that life companies have no control over the firms to which they lend funds.

"Since there is a complete absence of any indication that there is a threat by insurance companies to dominate or control creditors, even when they may be compelled to enforce, by law if necessary, the rights given to them in indenture covenants, I think there is clearly no need for legislation designed to curb some purely hypothetical but non-existent abuse," he said.

He urged the legislators to permit investors to make some investments presently outside the legal limits. This has been done already, he said, by a number of other states. As examples he suggested that companies be permitted to invest in unsecured corporate obligations, where, due to some extraordinary development such as a strike or reconversion, earnings temporarily were under the figure required by law; in the same form of obligation where a corporation has acquired the business and assets of an enterprise formerly conducted as a trust; in financially strong Catholic organizations which are not corporations, in oil and gas production loans to individuals, and in agricultural loans secured in part by equipment and livestock. These loans are

now prohibited. He said that such permission would not encourage companies to invest in common stocks, as the present evaluation method is a definite deterrent to it.

Private Placement Situation Told

The position of private placements in the lending field, and their benefits to the national economy were described by Sylvester C. Smith, general counsel of Prudential. He urged that emphasis be placed on the quality rather than the quantity of the loans. He introduced two representatives of private industry who praised the system of private placements and said that they were not controlled by their insurance creditor.

Fred D. Russell, president Security Mutual, concurred in opposition to the bill, as did Eldon R. Wallingford, assistant general counsel Life Insurance Assn. of America, who spoke on behalf of member companies.

Superintendent Dineen said his principal concern is the proper evaluation of privately placed securities. The companies are a little too innocent in their protestations that they have no control over the borrower. He characterized them as "pure corn." However, he added, the control that is exercised is not illegal and prudent management requires it.

Problem for Valuation Committee

The very diversification of loans the companies require creates a tremendous problem for the N.A.I.C. security valuation committee, he said. Loans are made to tobacco companies, stores, utilities, steel, oil and pipeline companies, among others, and there is an inadequate staff to evaluate them properly. If business recedes from its present "halcyon era," the situation will become acute, he declared.

An enlarged commissioners' valuation committee is required and a tax on the companies might be needed to pay for it, he suggested. Because private placements do not pass through Securities & Exchange Commission procedures, a similar device at state level is needed to improve present examinations of private placements, he asserted. He is exploring a bill to provide for it, to help N.A.I.C. prove to Congress that it is capable of adequate supervision.

Moses G. Hubbard, counsel of Commercial Travelers Mutual Accident,

Utica, opposed a bill authorizing service of process on out-of-state insurers doing mail order business in the state. The bill would enable a plaintiff to start court action in a state without being required to go to the domestic state of the insurer. His testimony centered on charges that the bill would encourage fraud by unscrupulous members of the public and would add greatly to the expenses of mail order insurers.

George Johnson, attorney Teachers Insurance & Annuity, suggested some editorial and technical revisions in the statute.

The hearing was held in the senate chamber at the state capitol. About 25 life executives attended the session, the rest of which was devoted to fire and casualty problems. Senator Mahoney was not present because of the illness of his son.

Program for Decatur, Ill., Congress Feb. 25

The program for the second annual all-day sales congress of Decatur (Ill.) Assn. of Life Underwriters Feb. 25 is announced. Harry D. Fagin, Union Mutual, is chairman for the day and Chester D. Walker, district manager Great-West Life, co-chairman.

Speakers, all outstanding in their fields, are: W. E. North, agency manager New York Life, Chicago; T. H. Tomlinson, manager of sales promotion Bankers Life of Iowa, Des Moines; Ray T. Wright, Lawrence, Kan., "man of the year" of Provident Mutual and life member of Million Dollar Round Table; Delmar Olson, legal counsel Mutual Trust Life, Chicago; N. Eric Bell, Illinois director State Farm Mutual, Bloomington and president Illinois association, and E. C. Steinsberger, district manager Prudential, Vincennes, Ind.

Ray J. Dean, who has been with the Madison, Wis., agency of Bankers Life of Iowa has been named agency supervisor to succeed Dale E. Miller, now manager at Columbus, O.

Clyde F. Duke, 56, district agent for Northwestern Mutual Life at Terre Haute, Ind., died following a heart attack suffered in his office.

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Statement Figures Give 1948 Picture

(CONTINUED FROM PAGE 1)

12%. New business in 1948 was \$78,886,000 as against \$86,574,333 in 1947. A gain of \$46,818,000 in insurance in force brought the total to \$788,532,000.

Policyholders' surplus increased by \$1,038,000 to reach \$15,454,000, which is 6.29% of liabilities.

New investments in 1948 included \$17,916,000 in mortgages, almost entirely on residential properties. Industrial and public utility securities increased by \$14,939,000. Total bond holdings amount to \$142,621,000, of which more than 50% are U. S. governments. Real estate mortgages aggregate \$85,534,000. Net interest earned on invested assets in 1948 was 2.93%, as against 3.01% in 1947.

INTER-OCEAN

The life department of Inter-Ocean in its first year of business wrote \$8 million of both industrial and ordinary life, with premiums amounting to \$225,000. Total premium income last year was \$4,116,089, a gain of \$765,079 over 1947. Assets reached \$3,327,733; surplus increased by \$274,771.

LIFE OF VIRGINIA

Life of Virginia's 1948 sales totaled \$168,430,651, up \$2 million. Insurance in force gained \$82,181,547, bringing the total in force to \$1,121,373,915.

Assets increased by \$16,963,760 to reach \$219,760,811.

NATIONAL OF VERMONT

New business of National Life of Vermont in 1948 was \$106,588,064, as against \$134,834,128. Interest earnings increased from 3.08% to 3.32%. Reserves increased more than \$21 million to reach \$339,566,695. Surplus is \$18,202,550, up \$2,951,333. Assets are \$391,734,135, an increase of \$24,973,036.

NORTH AMERICAN, ILL.

Assets of North American Life of Chicago increased approximately 9% to reach \$23½ million at Dec. 31, while life insurance in force reached \$119 million, up \$7,278,000. Mortality continued favorable. Mortgages rose from \$3,358,000 to \$8,665,000.

Premium income was \$3,313,000, a 10% gain. Total company income was \$4,331,000 up 8%. Surplus increased 8% to exceed \$1.2 million.

A dividend of 10% has been declared, payable 5% Feb. 7 to stockholders of record Jan. 31 and 5% Aug. 8 to stockholders of record Aug. 1.

NORTHERN, SEATTLE

Northern Life of Seattle's income in 1948 was \$10½ million as against \$9,809,208 in 1947. Assets rose from \$41,857,480 to \$45,751,000. Life insurance in force increased from \$200,947,991 to \$217,202,000. Policyholders' surplus is \$4,500,624 as against \$4,082,153 a year earlier.

NORTHWESTERN MUTUAL

Northwestern Mutual's insurance in force at Dec. 31 was \$5,730,000,000 on 1,342,745 policies, as against \$5,406,907,591 a year earlier. Assets are \$2,291,000,000 as against \$2,156,091,901. Benefit payments were \$158,322,000, of which more than 40% were paid to living policyholders.

Sales for 1948 were \$439,649,000 as against \$494,638,179. Average size of new policies was \$6,206, a new high.

There was a small improvement in the return on new investments, a substantial increase in the mortgage loan account and a favorable mortality experience. Only 1.45% of insurance in force at the beginning of 1948 terminated other than by death or maturity. The average net interest rate earned on all investments during the year was 3.03%. Total income was \$331,827,000, principal items being \$218,088,000 in gross premiums and \$70,092,000 in investment

earnings. Surplus including contingency reserves stands at \$148,996,000, up \$4,228,000.

OHIO STATE LIFE

Ohio State Life's insurance in force now amounts to \$197,394,281, a gain of \$14,239,950. Paid business for 1948 was \$24,835,188 as against \$26,250,566.

Assets total \$46,957,024, up \$3,095,342. Surplus was increased by \$308,085, bringing policyholders' surplus to \$4,259,723.

Disability and A. & H. operations showed pronounced gains. In the last 10 years the company's insurance in force has increased 106%, assets 136%, and capital 106%.

PENN MUTUAL

Penn Mutual had \$2,659,013,126 in force at the end of 1948, an increase of \$118,065,704. Assets are \$1,180,836,775, up \$54,817,678. The net rate of interest earned on assets was 3%.

New business totaled \$229,783,837 as against \$273,626,959 in 1947 but represented a 24% gain over the previous five years and a 42% gain over the previous decade.

New investments were \$146,404,294. Of the company's total mortgage investments of \$125,925,024, 18½% are in FHA and GI loans.

Benefit payments totaled \$67,287,215. Employee benefit, retirement and salary allotment plans established during the year represented more than 13% of the total new business.

PILOT LIFE

Pilot Life had \$448,389,088 in force at Dec. 31, an increase of more than \$40 million. Sales for 1948 were \$103,519,387 as against \$128,563,368. It was the third successive year in which sales reached the \$100 million mark.

Assets are \$64,852,784, up \$7,150,914. Policyholders' surplus is \$8.2 million, an increase of \$1.2 million. Benefit payments for 1948 were \$4,568,954. The company continued to stress mortgage loans, the total for the year being \$12,036,228. Interest earned on assets in 1948 was 3.62% as against 3.3%.

PROVIDENT L. & A.

Provident Life & Accident showed an insurance in-force gain \$107,838,241, to reach \$560,414,586. This is more than double the amount in force at the end of March, 1946. A. & H. premium income reached a new high of \$22,544,427 for the year—an increase of nearly \$3 million. Assets rose to \$49,109,717. Benefit payments totaled \$17,738,175.

UNION CENTRAL

Insurance in force of Union Central increased \$31,111,881 during the year to a total of \$1,539,827. Assets increased \$20,071,602 to \$604,648,404. Other items in the statement included \$8,000,000 contingency reserve, \$198,215 reserve for retirement of capital stock; \$2,500,000 capital, and \$15,362,805 net surplus. The major asset items include \$384,048,735 bonds (63.5%); \$144,886,070 real estate mortgages (24%); \$24,806,219 policy loans and liens (4.1%). Also included in assets are \$991,075 held by fiscal agent to pay for stock surrendered pursuant to the mutualization plan and \$1,707,140 capital stock deposited with the trustees for the company pursuant to the mutualization plan.

Cooper to Occidental

LOUISVILLE — William J. Cooper, formerly with Penn Mutual's Louisville agency, has been appointed manager there for Occidental of California, succeeding Alvin Moser, who resigned last fall to go to Moberly, Mo., to enter another line of business.

William E. Carnright has been appointed assistant manager of the Newark agency of Home Life of New York.

He has been with the company seven years, ranking among its leaders and has qualified each year for the national quality award. He attended Union College and New York University.

Travelers Promotes Evans and Jervis

Travelers has appointed E. Rowland Evans and Richard D. Jervis as assistant superintendents of agencies. Mr. Evans



has been an agency assistant and Mr. Jervis has been life manager at Cincinnati.

Mr. Evans graduated from University of Iowa in 1931. After several years experience as a life agent he joined Travelers in 1939 as a field assistant in Des Moines, becoming assistant manager there in 1943 and manager at Sioux City in 1945.

Mr. Jervis joined Travelers in 1938 as a field assistant at Cincinnati. He was promoted to assistant manager there in 1941 and manager in 1947. He is a graduate of University of Cincinnati. Before joining Travelers he had been with Procter & Gamble and in the coal business.

Travelers Starts N. Y. Moving Job

Travelers has begun its move from 55 to 80 John street, New York City. The cashiers department, fidelity and surety division and fire companies have already moved. All the other departments are remaining at 55 John street until further notice. Travelers bought the 80 John street building some months ago.

Earls Gets Trophy



William T. Earls (right) general agent of Connecticut Mutual at Cincinnati, received from President Peter M. Fraser the president's organization trophy for the best organization job for 1948. The presentation was made at the annual general agents meeting of Connecticut Mutual at Hollywood, Fla.

Plaques for runners-up went to J. Milton Edelstein, Chicago; R. H. Love, Hartford; F. A. Rosenfelt, Toledo, and J. C. F. Merrifield, Portland, Ore. Awards for outstanding conservation records were made to H. C. Remien, Grand Rapids; Mr. Love; P. C. Otto, Davenport; Mr. Merrifield; K. W. Jacobs, Milwaukee; F. P. Beiriger, Rockford; H. G. Lyman, New Orleans and Mr. Edelstein.

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ROBERT G. WALL, JR., New York,
leading personal producer of The
Union Central Life Insurance
Company in both 1947 and 1948.

I have been a Union Central Life Insurance Company
representative for the past 15 years. And, during that
time, I've attended many a Union Central Convention.

White Sulphur, Havana, Quebec, New Orleans, Boca
Raton. I left each with a mind full of workable sales
ideas that aided me to greater personal production and
qualification for the next meeting.

Now I'm ready to leave for San Antonio, Texas,
and Monterrey, Mexico. I know that I can expect a pro-
gram of sound ideas, carefully detailed, that will be
valuable to our newer agents and stimulating to a "vet-
eran" such as myself.

Union Central Conventions are like that!

Robert G. Wall Jr.



THE Union Central LIFE INSURANCE CO.
CINCINNATI, OHIO

"The job's safe, Honey..

"You know how we've been waiting for the lightning to strike — ever since old J. A. died. He owned the outfit lock, stock and barrel and it looked as though the only answer would be quick sale to a complete stranger. That — or close up shop. Well, today we found out! All along, J. A. had an insurance set-up. His family gets the whole thing in cash and four of our top brass own the business — with every cent of working capital free and clear. That explains all of J. A.'s confabs with his life insurance adviser! We should have known good old J. A. was too keen to leave things in a mess."

Community respect and goodwill
for a business follow naturally
when Business Insurance
is used to keep a firm on its feet—
and employees secure in their jobs.

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